CENTRAL STATISTICAL OFFICE

Economic Trends

ARTICLES

National income and expenditure in the third quarter of 1973

A calendar of economic events 1971, 1972 and 1973

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Release dates of economic statistics to be published in February 1974

This list is published by the Government Statistical Service as a guide to the dates of publication of major economic series in February. The dates are those which Departments, or other organisations concerned, are aiming at, and would normally expect to meet. They are always subject to the possibility of delay resulting from unavoidable statistical problems of collection and compilation. There may, however, be exceptional delays occasioned by the present emergency measures, although some allowance for this has been made in dates given for February. Further enquiries about individual series should be addressed to the source named.

February 1974	*Series*	*Method of release*	*Source*
Mon 4	UK official reserves (January)	PN	Treasury
	Hire purchase and other instalment credit business (December)	PN	DTI
	Retail trade (December)	PN	DTI
	Capital issues and redemptions (January)	PN	Bank of England
Tues 5	Car and commercial vehicle production (January-provisional)	PN	DTI
Wed 6	London clearing banks monthly statement (mid-January)	PN	Ctte. LCB
	UK Banks' eligible liabilities, reserve assets and reserve ratios (mid-January)	PN	Bank of England
Thurs 7	CBI Industrial Trends Survey (January)	PN	CBI
	Consolidated Fund and National Loans Fund (January)	LG	Treasury
Mon 11	Turnover of the catering trades (December)	PN	DTI
	Wholesale prices index numbers (January)	PN	DTI
Thurs 14	Sales and orders in the engineering industries (October)	T and I	DTI
Fri 15	Crude steel production (January)	PN	BSC/BISPA
	Finished steel receipts, consumption and stock changes (4th qtr - provisional)	PN	DTI
	Index of industrial production (December)	PN	CSO
	Building societies receipts and loans (January)	PN	Building Societies Assn.
	Retail prices index (January)	PN	D of Employment
Mon 18	UK Banks' assets and liabilities and the money stock (mid-January)	PN	Bank of England
	Turnover of the motor trades (4th qtr)	PN	DTI
Wed 20	Preliminary estimates of gross domestic product based on output data (4th qtr)	PN	CSO
	Basic rates of wages and normal weekly hours (end-January)	PN	D of Employment
	Monthly index of average earnings (December)	PN	D of Employment
Thurs 21	Unemployment (February-provisional)	PN	D of Employment
	Unfilled vacancies (February-provisional)	PN	D of Employment
	Energy trends	T and I	D of Energy
	Consumers' expenditure (4th qtr - 2nd preliminary estimate)	PN	CSO
	Car and commercial vehicle production (January-final)	PN	DTI
Fri 22	New vehicle registrations (January)	PN	D of the Environment
Sun 24	National savings monthly progress report (January)	PN	National Savings Ctte.
Mon 25	Central government borrowing requirement (January)	FS	CSO/Treasury
	Balance of payments current account and overseas trade figures (January)	PN	DTI
Wed 27	Construction—new orders (4th qtr)	PN	D of the Environment
Thurs 28	Unemployment (January-final)	Gazette	D of Employment
	Employment in production industries (December)	Gazette	D of Employment
	Overtime and short-time working in manufacturing industries (December)	Gazette	D of Employment
	Stoppages of work due to industrial disputes (January)	Gazette	D of Employment
	Bricks and cement production (January)	PN	D of the Environment
	Housing starts and completions (January)	PN	D of the Environment
	House improvement grants approved (January)	PN	D of the Environment

PN=*Press notice* LG=*London Gazette* T and I=*Trade and Industry* FS=*Financial Statistics*

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Economic Trends

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INTRODUCTION

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments. It provides charts and tables illustrating trends in the United Kingdom economy. In addition, there are articles which comment on and analyse economic statistics, introduce new series or describe methods used in compiling official statistics. This issue contains information available to the Central Statistical Office on or before 21 January 1974.

Note: In order to minimise the delay in publication of *Economic Trends*, the monthly economic situation article has been omitted from this issue. Copies of the article can be obtained on request to the Press and Information Service of the Central Statistical Office.

CONTENTS

		page
National income and expenditure in the third quarter of 1973	Central Statistical Office	v
Appendix tables		xli
A calendar of economic events 1971, 1972 and 1973	Central Statistical Office	xxviii
Charts and tables		1
Release dates of economic statistics		*inside front cover*

Government Statistical Service

A service of statistical information and advice is provided to Government by specialist staffs employed in the statistics divisions of individual Departments. Statistics are made generally available through their publications and further information and advice on them can be obtained from the Department concerned. The source and further information about series published in this volume are shown on page 43. Current telephone numbers of these sources as well as general information about *Economic Trends* can be obtained from the Central Statistical Office, Great George Street, London SW1P 3AQ. Telephone 01-930 5422 Ext 602.

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National income and expenditure in the third quarter of 1973*

This article presents quarterly estimates of national income and expenditure up to the third quarter of 1973. A note on the revisions to the previously published estimates is included at the end of this article. The appendix tables presented here show quarterly figures for the latest three years; a much longer run of quarterly figures was published in the previous article in this series in the October 1973 issue of *Economic Trends*.

Provisional summary estimates of gross domestic product up to the third quarter were issued by press notice on 20 December 1973, and the figures now incorporate the later estimates of fixed investment and stockbuilding published in *Trade and Industry* on 10 January 1974. These revisions were included in the press notice issued on 8 January 1974. Unless otherwise stated, the commentary in this article relates to seasonally adjusted data.

Gross domestic product (Table 4)

Earlier articles in this series have mentioned that the latest quarter-to-quarter movements shown by the expenditure-based estimate are liable to greater fluctuations than those given by the two other measures, and for short-period comparisons it is considered that the output-based estimate provides the best indication of the rate of growth of gross domestic product. Between the second and third quarters of 1973, the output measure grew by nearly 1 per cent, a little more than the growth shown by the average measure. However, when the third quarter is compared with the first half of 1973, both the output and average measures show a slightly lower rate of increase, suggesting that there was some slackening in the previous fast rate of growth by the middle of the year.

Over a longer period, the average of the three estimates of gross domestic product can be considered to be the best indication of movement; between the second half of 1972 and the third quarter of 1973, it showed a rise of 5½ to 6 per cent at an annual rate. Over this period there were corresponding rises of around 5 per cent in both the income and output measures, and a larger increase of 7½ to 8 per cent in the expenditure-based estimate. This last estimate was almost certainly distorted by the dock strike in the third quarter of 1972, while the two other measures were probably affected to a much smaller extent.

At current prices, gross domestic product (measured by the average of income and expenditure data) is estimated to have risen by 3 per cent between the second and third quarters of 1973, and by nearly 15 per cent at an annual rate between the second half of 1972 and the third quarter of 1973. Over the latter period, the index of total home costs (derived from the expenditure estimates at current and constant prices) increased by over 8 per cent at an

*A general description of national income statistics, together with details of the sources, methods and definitions used in making the estimates, is given in *National Accounts Statistics: Sources and Methods* (HMSO 1968). Subsequent changes are described in the notes to the 1973 National Income Blue Book.

Gross domestic product at factor cost(1)

Seasonally adjusted — Index numbers, average 1971 = 100

	At current prices		At 1970 prices			
	Based on expenditure data	Based on income data	Based on expenditure data	Based on income data(2)	Based on output data	Average estimate
1971	100·0	100·0	100·0	100·0	100·0	100·0
1972	111·0	111·8	101·3	102·0	102·7	102·0
1971 1st quarter	93·9	95·1	97·9	98·7	98·7	98·4
2nd quarter	97·8	98·0	99·3	99·6	100·0	99·6
3rd quarter	103·4	102·4	101·8	101·0	100·4	101·1
4th quarter	105·0	104·5	101·1	100·7	100·9	100·9
1972 1st quarter	106·4	105·4	99·9	99·0	100·0	99·6
2nd quarter	108·9	110·4	101·2	102·6	102·9	102·2
3rd quarter	111·9	113·2	100·9	102·1	102·9	102·0
4th quarter	116·9	118·5	102·9	104·3	104·8	104·0
1973 1st quarter	126·3	123·7	108·7	106·5	107·8	107·7
2nd quarter	125·7	126·9	106·9	107·9	107·4	107·4
3rd quarter	130·8	129·2	108·8	107·4	108·4	108·2
1971 1st half	95·8	96·6	98·6	99·2	99·3	99·0
2nd half	104·2	103·4	101·4	100·8	100·7	101·0
1972 1st half	107·7	107·9	100·6	100·8	101·5	100·9
2nd half	114·4	115·8	101·9	103·2	103·8	103·0
1973 1st half	126·0	125·3	107·8	107·2	107·6	107·5

(1) These estimates are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
(2) Income data deflated by the price index implied by estimates based on expenditure data.

annual rate; and on the most recent comparison between the second and third quarters of 1973, the rise of total home costs was 2 to 2½ per cent.

Estimates of gross domestic product at current and constant prices are given as index numbers in the table above.

Expenditure (Table 1)

The quarter-to-quarter changes in the expenditure-based estimate of gross domestic product are subject to erratic fluctuations thought mainly to reflect timing differences in the recording of the components. In 1973, it is possible that the pattern of recorded expenditure was distorted by the upsurge in spending in the first quarter before the introduction of VAT. Thus the increase of 1½ to 2 per cent in the expenditure estimate between the second and third quarters of 1973, which was larger than the movement shown by the average estimate of gross domestic product, followed a greater than average fall in expenditure of 1½ to 2 per cent between the first two quarters. Comparing the third quarter with the first half of 1973, the increase in expenditure was 1 per cent, slightly greater than that given by the average measure. The rise in expenditure in the third quarter of 1973 from the second half of the previous year was 7½ to 8 per cent at an annual rate, rather greater than the corresponding rise given by the average estimate, and it is almost certain that in this comparison also, the expenditure measure was distorted by the dock strike in the third quarter of 1972.

Consumers' expenditure rose by nearly 1 per cent in volume terms between the second and third quarters of 1973, and in the third quarter was at the average level of the first two quarters. Comparing the third quarter with the first half-year, in order to reduce somewhat the distortion of spending arising from the introduction of VAT, there were some upward movements within the virtually unchanged total, of expenditure on alcoholic drink and on cars and motor cycles, offset by reductions in sales of food, clothing, furniture and services. Expenditure in the third quarter of 1973 over the second half of 1972 rose in volume by 3 per cent at an annual rate; rather less than the increase of 5½ to 6 per cent in the average of the three measures of gross domestic product.

The volumes of both exports and of imports of goods and services were relatively unchanged between the second and third quarters of 1973. Over a longer period, from the second half of 1972 to the third quarter of 1973, exports rose by nearly 12 per cent in volume, expressed at an annual rate, and imports by 6½ to 7 per cent, also in volume terms at an annual rate.

In the third quarter, the volume of fixed investment rose by 6 to 6½ per cent. This was 3 per cent above the average over the first half of 1973, a rise which is equivalent to an annual rate of growth of over 8 per cent. Within the total, fixed investment in manufacturing rose by nearly 6 per cent between the first half of 1973 and the third quarter equivalent to over 15 per cent at an annual rate, and there were smaller rises in some other industries. Over a longer period from the second half of 1972 to the third quarter of 1973, total fixed investment rose strongly by over 9 per cent in volume terms expressed at an annual rate, rather more than gross domestic product as a whole. Much of the increase in fixed investment over this period came from a sharp rise in spending on plant and machinery, with a slower growth in new building work, partly offset by a small fall in expenditure on vehicles.

The £138 million increase in stocks at 1970 prices in the third quarter, although large, was rather less than in each of the previous two quarters. Most of this increase took place in manufacturing industry with a recorded stockbuilding of £91 million in the third quarter; this last figure included a large increase in work in progress partly offset by a small fall in the stocks of finished goods. The rise in stock levels in manufacturing was rather less than the rise in output, and the stock/output ratio fell to 87·4 (end-1969=100) in the third quarter. Outside manufacturing, both wholesale and retail distribution recorded moderate increases in stocks, and there was some net de-stocking in other industries.

Factor incomes (Table 2)

Total domestic income is provisionally estimated to have increased by 3 to 3½ per cent between the second and third quarters of 1973, and over this period income from employment is estimated to have risen at much the same rate. The growth in total domestic income in the third quarter of 1973 from the second half of 1972 expressed at an annual rate was 16½ per cent; this was larger than the corresponding rise of 14 to 14½ per cent in income from employment.

Provisional estimates of gross trading profits of companies, before providing for depreciation and stock appreciation, indicate a rise of 15 per cent over the half-year period between the average of the second and third quarters of 1973 and the previous two quarters, although on present estimates there was virtually no change in profits on the very latest comparison, between the second and third quarters of 1973. Much of the increase of 15 per cent in the half-year movement was taken up by stock appreciation, and if this is excluded the rise would have been only 2 per cent. On a longer term comparison between the second and third quarters of 1973 taken together and the same period in 1972, gross trading profits are estimated to have increased by 30 per cent; if estimates of stock appreciation are deducted the rate of increase is reduced to 12 per cent, and is a little less than the increase over the same period of 14½ per cent in income from employment.

The growth of profits since 1970 followed a period of several years over which the average rate of increase had been much lower. As a share of total domestic income including stock appreciation, gross trading profits of companies in the second and third quarters of 1973 averaged 13½ per cent compared with the long-term average of over 14 per cent for the 1960's.

Output (Table 3)

Between the second and third quarters of 1973 the output estimate of gross domestic product rose by nearly 1 per cent, following little change between the previous two quarters. The manufacturing industry component increased by 1½ per cent, and was the source of growth in the total index of industrial production which rose by just under 1 per cent between the latest two quarters. Within manufacturing there were particularly sharp rises in the engineering and allied industries and in chemicals. There were fairly widespread small rises throughout the service industries,

averaging 1 per cent. On a longer term comparison, between the second half of 1972 and the third quarter of 1973, the output estimate of gross domestic product rose at an annual rate of 5 per cent. Within the total, manufacturing industry rose by 9½ per cent, and total industrial production by 8 per cent, both expressed at annual rates.

Personal income, expenditure and saving (Tables 5 and 12)

Between the second and third quarters of 1973, total personal income before tax rose by 2½ to 3 per cent, rather less than the rise in each of the preceding two quarters. The increase in wages and salaries over this period was rather greater, at 3 to 3½ per cent, and Forces' pay jumped by 20 per cent, reflecting the phase 2 pay settlement, which appeared for the first time in the third quarter. Other personal income was virtually unchanged between the latest two quarters, since a continuing rise in income from self-employment and rent was balanced by a fall in personal receipts of dividend income, which had fallen back again after the exceptional rise in the second quarter. This distortion to the pattern of dividend payments over recent quarters, extending back to the second half of 1972, is associated with the deferment of payments by companies mainly from this latter period to take advantage of the transitional arrangements established for the change over to the new system of corporation tax from 6 April 1973. Over a longer period of comparison, from the second half of 1972 to the third quarter of 1973, the increase in total personal income was 15½ per cent at an annual rate; wages and salaries rose by rather less than the total, by 14 to 14½ per cent, and employers' contributions by nearly 13 per cent.

Current grants from public authorities rose by nearly 12 per cent, compared with the third quarter of 1972. The fastest rising component of total personal income over the longer term comparison, from the second half of 1972 to the third quarter of 1973, was other personal income, with a rise of 26 per cent at an annual rate. However, if allowance is made for the distortions to the pattern of dividend payments already mentioned, the growth in other personal income since the second half of 1972 is reduced to a rate similar to that for total personal income.

Taxes on income rose by 2 per cent between the second and third quarters, and by 20 per cent at an annual rate between the second half of 1972 and the third quarter. The latter rise was greater than that of total incomes, reflecting in part the effects of 'fiscal drag,' although these were partially offset by a reduction in some personal tax rates over this period, with the change to the unified system of personal taxation. Over this period personal disposable income rose by 14½ per cent, a little less than the rise in total personal income before tax.

Personal disposable income rose by 2½ to 3 per cent in the third quarter, similar to the rise in personal income before tax, but a little less than that of 3 to 3½ per cent in consumers' expenditure at current prices, so that the balance of personal saving was somewhat reduced, and the savings ratio was also a little lower (at 10·1 per cent) than in the previous quarter. This rate of personal saving was, however, still very high by historical standards, and unlike the situation in the second quarter which was affected by the introduction of VAT, there was no obvious distorting influence. Almost the whole of the rise in personal disposable income in the third quarter was matched by increases in prices, and the increase in real terms over the second quarter was less than ½ per cent, which was lower than the rises in the last few quarters. Over a longer period, from the second half of 1972 to the third quarter, real personal disposable income rose by nearly 5½ per cent at an annual rate, and over the same period the rise in the consumers' expenditure deflator was 8½ to 9 per cent at an annual rate.

Between the second and third quarters of 1973 consumers' expenditure rose in volume by nearly 1 per cent, following a fall of nearly 2 per cent between the previous two quarters. This pattern of movement reflects the fall in spending after the high levels of the first quarter for most types of goods immediately before the introduction of VAT. Comparing the third quarter with the average of the first two quarters in order to reduce the distorting effect on spending of the introduction of VAT, the level of consumers' expenditure remained virtually unchanged. Within the third quarter total there was a sharp fall of 11 per cent in expenditure on furniture over this period, with smaller falls in clothing and footwear, and in other services. Categories of expenditure with highest increases over this period were beer, with a rise of 8 per cent, fuel and light, and cars and motor cycles with 5 per cent, and radio and electrical goods with 6 per cent.

Over a longer period of comparison, from the second half of 1972 to the third quarter of 1973, consumers' expenditure rose by 3 per cent at an annual rate. Alcoholic drink with a rise of 20 per cent at an annual rate over this period and radio and electrical goods with a corresponding rise of 15 per cent showed the largest increases. There was also continued growth in expenditure on tobacco after the reduction in 1971, following the health report. Expenditure on furniture fell by 7 per cent at an annual rate over this period, possibly reflecting supply constraints as well as the imposition of VAT. The level of consumers' expenditure on food was almost unchanged.

Company sector (Table 6)

Total company income rose by 5 per cent between the second and third quarters of 1973, and the rise of the income in these two quarters taken together was 33 per cent on the same period in 1972. Each of the three components of company income, gross trading profits, rent and non-trading income, and income from abroad, showed similar rises to the total. Gross trading profits rose by 30 per cent on the annual comparison, although preliminary estimates of the movement between the latest two quarters up to the third quarter of 1973 indicate a much slower rate of increase. If stock appreciation is deducted, the annual rise in gross trading profits is reduced to 12 per cent. Rent and non-trading income rose by 36 per cent on the annual comparison, reflecting the sharp rise in interest payments, and income from abroad rose by 35 per cent over the same period. This last mentioned rise was associated in part with the depreciation of sterling.

The timing of dividend payments over the most recent quarters continues to be affected by the change over to the new system of corporation tax taking effect from 6 April 1973. As explained in the previous article in October, this timing distortion occured because companies delayed divi-

dend payment generally for one or two quarters, over the period between the third quarter of 1972 and the first quarter of 1973. In addition to this effect, the comparison of dividend payments over recent quarters is somewhat obscured by the change in the basis of recording of dividends in the national accounts; from 6 April 1973 onwards, the actual dividends paid on ordinary and preference shares are recorded, whereas before this date they were recorded gross of income tax deducted at source. Adjustments may be made to the payments in recent quarters for both of these effects, although the allowance for timing distortions is still subject to a considerable margin of error. This last mentioned allowance is derived from an examination of the sequence over the last few years of the announcements of dividend payments by large companies. If both of these adjustments are made, payments of ordinary dividends on the annual comparison between the second and third quarters of 1973 and the same period a year earlier are little changed. The rise in other interest payments was 46 per cent, mainly reflecting the increase of interest rates on bank and building society deposits, and the level of those deposits. Profits due abroad (net of UK tax) and taxes paid abroad both rose rapidly over the same annual period, and the increase in the sum of these items was 26 per cent. Payments of United Kingdom taxes by companies, after adjustment of the second and third quarters of 1973 to the pre-imputation basis of corporation tax, fell by 24 per cent over the annual period. The residual of company saving is affected by the timing distortion to dividend payments over the last few quarters, and if adjustment is made for this, the growth of saving over the annual comparison is rather greater than the already substantial rate implied by the figures shown in Table 6.

Public corporations (Table 7)

The gross trading surplus in the third quarter remained at much the same level as in the preceding two quarters, but this was 5 to 5½ per cent below the average for the second half of 1972. Rent and non-trading income rose sharply during the first three quarters of 1973, but this rise was mainly due to the increased receipts by the Bank of England of interest on the Treasury bill counterpart of the special deposits by banks; these receipts are matched by the corresponding amounts paid to banks included in interest payments, and consequently do not affect the balance of undistributed income.

Interest payments, including the payments on special deposits mentioned above, increased by over 5 per cent between the latest two quarters, and a substantial increase of 22 per cent at an annual rate is shown over the longer term from the second half of 1972 to the third quarter of 1973, reflecting the rises both in interest rates and in the level of public corporations' debt. Saving was correspondingly reduced substantially over this period to a level little above the average quarterly saving in 1971.

Central government (Table 8)

Total receipts by central government rose by 6 per cent in the third quarter from the second quarter level, which was depressed by the exceptional rebate of purchase tax and some excise duties in respect of unsold goods bearing this tax at the time of the introduction of VAT. The impact of this rebate on the central government current account and on the recording of stock changes (Tables 8 and 15) which was not shown in the earlier published estimates for the second quarter, is discussed further under the 'Note on revisions' at the end of this article. If an allowance is made for this rebate, the increase of receipts in the third quarter is reduced to a fraction of 1 per cent. Both taxes on income and on expenditure (after adjusting the latter for the repayment) were little changed between the latest two quarters, but national insurance contributions continued to rise (at nearly 5 per cent), reflecting the increase in earnings over this period. On the longer term, between the second half of 1972 and the third quarter of 1973, total receipts grew by 11 per cent at an annual rate and taxes on income by rather more at 13 per cent at an annual rate, but taxes on expenditure grew by substantially less, although the change in the system of indirect taxes with the introduction of VAT on 1 April makes comparisons across this period difficult to interpret.

Total current expenditure increased by 2 to 2½ per cent between the second and third quarters, and within the total, current expenditure on goods and services rose by rather more at 5½ per cent, reflecting in part the Forces' and doctors' pay settlements. Debt interest also grew rapidly by 8 per cent, but this item is subject to irregular short-term movements related to the timing of new issues. Current grants to local authorities fell by 4½ to 5 per cent from the second quarter, which had been inflated somewhat by the second stage of payment of the rate support grant. On the longer term comparison from the second half of 1972 to the third quarter of 1973, total current expenditure grew by 14½ per cent at an annual rate, a faster rise than that of receipts, so that the balance of current saving was reduced by well over a third. Current expenditure on goods and services rose by 14½ per cent at an annual rate, and over half of this increase was in expenditure on military defence. Current grants to the personal sector including national insurance benefits, increased over the annual period from the third quarter of 1972 by rather less, at 8 per cent, but there were sharp rises over this period in current grants to local authorities and in debt interest payments.

Local authorities (Table 9)

Local authority total receipts in the third quarter remained at the average level of the first half of 1973. Rates (shown seasonally adjusted on an accruals basis) were also little changed from the second quarter, although the rise from the first half of 1973 was nearly 5 per cent, reflecting the higher level of rates taking effect from the second quarter. Current grants from central government were reduced by 4½ to 5 per cent from the exceptionally high levels of the first two quarters, which had each included special payments under the Rate Support Grant (Increase) Order. On a longer period of comparison, from the second half of 1972 to the third quarter of 1973, total receipts rose at an annual rate of 19 per cent, and within the total, receipts of rates rose more slowly over the same period by 12 to 12½ per cent at an annual rate. This slower rise was balanced by the rapid increase of 26½ per cent in grants from the central government.

Total current expenditure of local authorities continued the rapid growth shown in the previous few quarters, rising by 5 per cent between the second and third quarters. Both the expenditure on goods and services and the remaining current expenditure shared this increase. From the second half of 1972 to the third quarter of 1973, total current expenditure rose by 18 per cent at an annual rate, a slightly higher rate of increase than the corresponding growth of 16 per cent on expenditure on goods and services. Over this longer period of comparison, debt interest rose sharply by 26 per cent at an annual rate, reflecting the higher level of interest rates in 1973 and the increased level of local authority debt. Current grants to the personal sector, a small part of total expenditure, increased very substantially over this longer period, which saw the introduction of rent rebates and allowances.

Combined capital account (Table 10—not seasonally adjusted)

Total saving (before deduction of stock appreciation) was £906 million higher in the third quarter of 1973 than in the same quarter of 1972. Nearly two-thirds of this increase came from saving by the company sector, whose saving rose by £572 million over this period. Saving by the personal sector also recorded a substantial increase of £400 million over this annual period of comparison, but there were reductions in saving by the central government and public corporations. Stock appreciation continued to rise with the general level of inflation, and by the third quarter of 1973 had reached £856 million, well over double the corresponding figure for the third quarter of 1972.

Total fixed investment in the third quarter increased by £711 million at current prices over the same quarter of 1972, and increases were recorded for each sector of the domestic economy. The greatest percentage rises over this annual comparison period were to be found in the personal and local authority sectors, and the slowest percentage rate of increase was recorded for public corporations. In addition to these rises in fixed investment, there was a large turn-round in stockbuilding between the third quarters of 1972 and 1973, where a net physical decrease of £51 million in the third quarter of 1972 had changed to a physical increase in stocks of £249 million by the same quarter in 1973. Over the same period the balance of payments current account deteriorated by £186 million, representing a decrease of the same magnitude in net investment abroad.

International transactions (Table 11)

The deficit on current account increased in the third quarter to £317 million; this total included a deficit on visible trade (goods) of £550 million, partly offset by a surplus on invisibles (services, property income and transfers) of £233 million. Exports of goods and services rose by nearly 6 per cent in value between the second and third quarters of 1973, and the value of imports of goods and services rose by 8½ per cent, but for both exports and imports the volume of trade was virtually unchanged over this period.

Over the longer term, from the second half of 1972 to the third quarter of 1973, the value of exports of goods and services rose by 29½ per cent at an annual rate, and the corresponding rise for imports was 37½ per cent. Within each of these increases, the growth in the value of trade was larger for goods than services. A much larger proportion of the rise in value of imports than that of exports was associated with increased prices, as is shown by the volume increases (given in Table 1) over this period from the second half of 1972 to the third quarter of 1973, where exports rose in volume by nearly 12 per cent, and imports by 6½ to 7 per cent, both expressed at annual rates. Over the same period the net property income from abroad increased substantially, reflecting, as does the rise in import prices, the depreciation of sterling.

Gross domestic fixed capital formation (Tables 13 and 14)

Total fixed investment rose by 6 to 6½ per cent in volume between the second and third quarters of 1973 after a fall of 6 per cent between the first two quarters, which had in part reflected an erratic movement in the recorded investment in shipping. The change between the first half and the third quarter of 1973 is less affected by erratic movements, and this shows a rise of over 8 per cent (expressed at an annual rate) in total fixed investment. However, nearly all of this increase came from a rise in public authorities' investment, reflecting a sharp increase recorded for public dwellings, and this last series is itself subject to erratic movements.

On a longer term comparison, between the second half of 1972 and the third quarter of 1973, total fixed investment increased by over 9 per cent at an annual rate, with similar rates of increase recorded for both the private sector and for public authorities. However, investment by public corporations showed a more modest rise of 2 per cent at an annual rate over this period, continuing the trend of relatively unchanged fixed investment in this sector over the last few years.

Investment in plant and machinery increased by 6 per cent between the first half and third quarter of 1973; there was a smaller rise of 3½ per cent in investment in buildings and works over this period, and a fall of over 8 per cent in vehicles (including shipping). On a longer term comparison, the greatest rate of growth is also observed in investment in plant and machinery, which increased by 18 per cent in volume at an annual rate between the second half of 1972 and the third quarter of 1973, followed by a smaller rise of 7 to 7½ per cent over the same period in investment in buildings and works, and a fall of 8½ per cent in vehicles, where both figures are expressed at annual rates. Within the increase of 7 to 7½ per cent in buildings and works, there were divergent movements between expenditure on dwellings and on the remainder, with a sharp rise of nearly 20 per cent in dwellings, at an annual rate, and little change in other construction works. Over the same period the analysis by industry shows an increase at an annual rate in manufacturing of 13½ per cent, which was above the average rise of over 9 per cent for all industries, and a very large rise in investment in mining and quarrying, the latter including the increasing exploration activity in the North Sea. Over this period, from the second half of 1972 to the third quarter of 1973, there was a fall of 6½ per cent in investment in gas, electricity and water, and a smaller fall in investment in transport and communication.

Value of physical increase in stocks and work in progress (Table 15)

The physical increase in stocks in the third quarter was £138 million at 1970 prices, rather below the increase in each of the preceding two quarters, but still pointing to a strong continuation of the build-up of stocks since the beginning of 1973. At current prices there was a small fall in the value of physical increase of stocks recorded for the second quarter, since this item includes that part of the fall in book values of stocks reflecting tax rebated on the introduction of VAT. The reasons for this treatment in the national accounts of the changed indirect tax arrangements resulting from the introduction of VAT in April are described more fully in this article under 'Note on revisions'. Most of the physical increase in the third quarter at 1970 prices took place in manufacturing industry, which, with an increase of £91 million, nearly maintained the average rate of stockbuilding over the first two quarters; smaller increases were recorded in both retail and wholesale distribution. There was some net reduction of stocks in other industries.

Most of the physical increase in stocks at 1970 prices within manufacturing industry was accounted for by work in progress, and the rise of £84 million in this item was associated with the rapidly growing order books in both capital and consumer goods industries. There was a fall in stocks of finished goods of £21 million in manufacturing in the third quarter, and a rise of £28 million in the stocks of materials. The rise in stock levels at constant prices in manufacturing was less than the rise in output, and the stock/output ratio fell to 87·4 (end-1969=100) in the third quarter, which was close to the low point of 87·0 in the first quarter.

Note on revisions—special rebate of purchase tax recorded in the second quarter

Since the publication of the last article in this series in October, it has been decided to change the treatment of the representation of indirect taxes in the national accounts in the period around the transition between purchase tax and VAT. This has led to revisions to estimates for the second quarter of the value of the physical increase in stocks at current prices (Tables 1, 10 and 15), and of central government receipts of indirect taxes (Table 8), together with consequential amendments to the combined capital account (Table 10). The estimates at constant prices have not been affected by this change, and gross domestic product at factor cost at current prices is also unaffected.

The new treatment relates specifically to the rebate of £270 million purchase tax and some excise duties by the central government in respect of stocks of finished goods held on 1 April, for which this tax had already been paid. The rebate was due in the third quarter, but since it was made necessary by the change in taxation with the introduction of VAT on 1 April, it has been decided to show the rebate in the national accounts for the second quarter, along with the associated fall of the same amount in the book value of stocks, arising from the change in valuation of these from a tax inclusive to a VAT exclusive basis. The rebate of tax reduces the net receipts of indirect taxes for the second quarter by £270 million, shown in Table 8, and in Table 1 (in the adjustment to factor cost). The revision to the change in book values of stocks in the second quarter is included in the value of the physical increase of stocks, shown in Tables 1, 10 and 15. As mentioned above, gross domestic product at current factor cost is unaffected by the change, because the fall in the physical increase in stocks is exactly balanced by the fall in the factor cost adjustment.

Central Statistical Office

APPENDIX CONTENTS*

SUMMARY TABLES	Table	Page
Expenditure on the gross domestic product :		
At current prices - unadjusted At 1970 prices - unadjusted and seasonally adjusted	1	xii
Factor incomes in the gross national product:		
Unadjusted and seasonally adjusted	2	xiii
Index numbers of output at constant factor cost :		
Seasonally adjusted	3	xiv
Gross domestic product at factor cost :		
Seasonally adjusted	4	xiv
SECTOR AND COMPONENT TABLES		
Personal income, expenditure and saving :		
Unadjusted and seasonally adjusted	5	xv
Appropriation account of companies :		
Unadjusted and seasonally adjusted	6	xvi
Appropriation account of public corporations :		
Unadjusted and seasonally adjusted	7	xvii
Current account of central government including National Insurance Funds :		
Receipts - unadjusted and seasonally adjusted	8	xviii
Expenditure - unadjusted and seasonally adjusted	8	xix
Current account of local authorities :		
Receipts - unadjusted and seasonally adjusted Expenditure - unadjusted and seasonally adjusted	9	xx
Combined capital account :		
Receipts - unadjusted Payments - unadjusted	10	xxi
International transactions:		
United Kingdom credits - unadjusted and seasonally adjusted	11	xxii
United Kingdom debits - unadjusted and seasonally adjusted	11	xxiii
Consumers' expenditure :		
At current prices - unadjusted At 1970 prices - unadjusted and seasonally adjusted	12	xxiv
Gross domestic fixed capital formation by sector and by type of asset :		
At current prices - unadjusted At 1970 prices - unadjusted and seasonally adjusted	13	xxv
Gross domestic fixed capital formation by industry group :		
At current prices - unadjusted At 1970 prices - unadjusted and seasonally adjusted	14	xxvi
Value of physical increase in stocks and work in progress :		
At current prices - unadjusted At 1970 prices - unadjusted and seasonally adjusted	15	xxvii

* The tables show annual figures from 1967 and quarterly figures from 1971.

APPENDIX

Expenditure on the gross domestic product

TABLE 1

£ million

	Gross domestic product at factor cost(1)	Final expenditure on goods and services at market prices							Imports of goods and services	Taxes on expenditure	Subsidies
		Total		Consumers' expenditure	Public authorities' current expenditure	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Exports of goods and services			
		Unadjusted	Seasonally adjusted								
At current prices											
1967	34,835	47,732		25,455	7,272	7,438	322	7,245	7,708	6,004	815
1968	37,263	52,358		27,335	7,727	8,055	439	8,802	9,187	6,818	910
1969	39,168	55,780		28,968	8,088	8,458	416	9,850	9,678	7,789	855
1970	42,788	61,234		31,404	9,095	9,223	257	11,255	10,872	8,433	859
1971	48,159	67,929		34,838	10,339	10,101	19	12,632	11,857	8,808	895
1972	53,464	75,047		39,263	11,702	11,214	—440	13,308	13,437	9,279	1,133
1971 1st quarter ..	10,826	15,514	16,100	7,798	2,454	2,421	8	2,833	2,871	2,044	227
2nd quarter ..	11,771	16,820	16,818	8,633	2,533	2,411	— 15	3,258	3,009	2,257	217
3rd quarter ..	12,406	17,368	17,356	8,931	2,622	2,526	30	3,259	2,985	2,186	209
4th quarter ..	13,156	18,227	17,655	9,476	2,730	2,743	— 4	3,282	2,992	2,321	242
1972 1st quarter ..	12,270	17,291	17,914	8,836	2,871	2,741	—272	3,115	3,196	2,162	337
2nd quarter ..	13,146	18,487	18,438	9,654	2,808	2,665	— 30	3,390	3,268	2,333	260
3rd quarter ..	13,403	18,692	18,741	10,003	2,940	2,754	— 51	3,046	3,264	2,309	284
4th quarter ..	14,645	20,577	19,954	10,770	3,083	3,054	— 87	3,757	3,709	2,475	252
1973 1st quarter ..	14,489	20,679	21,421	10,250	3,198	3,351	179	3,701	4,095	2,373	278
2nd quarter ..	15,099	21,343	21,386	10,890	3,191	3,141	72(2)	4,049	4,289	2,241(2)	286
3rd quarter ..	15,696	22,582	22,630	11,312	3,374	3,465	249	4,182	4,634	2,538	286
Revalued at 1970 prices										Adjustment to factor cost(3)	
1967	40,121	56,622		29,841	9,097	8,564	338	8,782	9,371	7,130	
1968	41,635	58,975		30,556	9,190	8,951	471	9,807	10,058	7,282	
1969	42,156	59,794		30,638	8,976	9,042	419	10,719	10,355	7,283	
1970	42,788	61,234		31,404	9,095	9,223	257	11,255	10,872	7,574	
1971	43,666	62,960		32,211	9,430	9,269	— 7	12,057	11,398	7,896	
1972	44,212	65,280		34,115	9,786	9,382	—412	12,409	12,549	8,519	
Unadjusted											
1971 1st quarter ..	10,252	14,846		7,448	2,357	2,320	15	2,706	2,788	1,806	
2nd quarter ..	10,835	15,644		8,003	2,331	2,252	— 36	3,094	2,879	1,930	
3rd quarter ..	11,099	15,974		8,177	2,342	2,277	15	3,163	2,861	2,014	
4th quarter ..	11,480	16,496		8,583	2,400	2,420	— 1	3,094	2,870	2,146	
1972 1st quarter ..	10,416	15,432		7,876	2,450	2,378	—237	2,965	3,047	1,969	
2nd quarter ..	11,089	16,347		8,487	2,398	2,272	— 41	3,231	3,127	2,131	
3rd quarter ..	11,000	16,139		8,652	2,453	2,273	— 55	2,816	3,023	2,116	
4th quarter ..	11,707	17,362		9,100	2,485	2,459	— 79	3,397	3,352	2,303	
1973 1st quarter ..	11,279	16,881		8,455	2,529	2,532	150	3,215	3,466	2,136	
2nd quarter ..	11,663	17,284		8,799	2,488	2,303	293	3,401	3,409	2,212	
3rd quarter ..	11,898	17,515		8,963	2,522	2,477	185	3,368	3,370	2,247	
Seasonally adjusted											
1971 1st quarter ..	10,684	15,404		7,865	2,315	2,299	114	2,811	2,816	1,904	
2nd quarter ..	10,838	15,649		8,008	2,360	2,332	—103	3,052	2,874	1,937	
3rd quarter ..	11,111	15,950		8,121	2,363	2,318	— 18	3,166	2,832	2,007	
4th quarter ..	11,033	15,957		8,217	2,392	2,320	—	3,028	2,876	2,048	
1972 1st quarter ..	10,908	16,031		8,329	2,410	2,366	—136	3,062	3,050	2,073	
2nd quarter ..	11,051	16,295		8,462	2,426	2,341	—104	3,170	3,096	2,148	
3rd quarter ..	11,018	16,151		8,585	2,473	2,321	— 87	2,859	3,021	2,112	
4th quarter ..	11,235	16,803		8,739	2,477	2,354	— 85	3,318	3,382	2,186	
1973 1st quarter ..	11,866	17,541		8,977	2,489	2,525	253	3,297	3,410	2,265	
2nd quarter ..	11,672	17,320		8,824	2,516	2,374	213	3,393	3,408	2,240	
3rd quarter ..	11,881	17,510		8,898	2,540	2,525	138	3,409	3,393	2,236	

(1) Equals total final expenditure on goods and services at market prices *less* imports of goods and services *less* taxes on expenditure *plus* subsidies. Estimates of the gross domestic product at constant factor cost based on statistics of output and income are given in Tables 3 and 4.

(2) The current price estimates for the second quarter of 1973 include a fall in the book value of stocks of £270 million reflecting tax rebated on the introduction of VAT; the rebate is also included as a deduction from taxes on expenditure and the estimate of gross domestic product at factor cost is thus not affected.

(3) This represents taxes on expenditure *less* subsidies valued at constant rates.

Factor incomes in the gross national product

TABLE 2

£ million

	Gross national product	Net property income from abroad	Gross domestic product at factor cost	Factor incomes						less Stock appreciation	Residual error
				Total domestic income (1)	Income from employment (2)	Gross trading profits of companies (1)	Gross trading surplus of public corporations (1)	Gross profits of other public enterprises (1)	Income from rent and self-employment (1)		
1967	35,214	379	34,835	34,817	23,706	4,663	1,132	110	5,206	—187	205
1968	37,598	335	37,263	37,817	25,341	5,275	1,363	132	5,706	—564	10
1969	39,667	499	39,168	40,007	27,033	5,143	1,451	146	6,234	—733	—106
1970	43,303	515	42,788	43,982	30,179	5,279	1,395	152	6,977	—1,137	— 57
1971	48,675	516	48,159	48,570	33,331	5,756	1,464	185	7,834	—1,058	647
1972	53,940	476	53,464	54,458	37,138	6,584	1,612	178	8,946	—1,319	325
Unadjusted											
1971 1st quarter ..	10,985	159	10,826	11,513	7,916	1,324	366	51	1,856	—345	—342
2nd quarter ..	11,921	150	11,771	12,065	8,237	1,501	352	46	1,929	—390	96
3rd quarter ..	12,556	150	12,406	12,163	8,429	1,373	328	44	1,989	—184	427
4th quarter ..	13,213	57	13,156	12,829	8,749	1,558	418	44	2,060	—139	466
1972 1st quarter ..	12,404	134	12,270	12,611	8,712	1,405	353	53	2,088	—255	— 86
2nd quarter ..	13,273	127	13,146	13,429	9,152	1,676	373	45	2,183	—278	— 5
3rd quarter ..	13,536	133	13,403	13,604	9,347	1,617	367	31	2,242	—357	156
4th quarter ..	14,727	82	14,645	14,814	9,927	1,886	519	49	2,433	—429	260
1973 1st quarter ..	14,646	157	14,489	14,869	9,988	1,840	497	32	2,512	—396	16
2nd quarter ..	15,291	192	15,099	15,766	10,435	2,233	408	46	2,644	—620	— 47
3rd quarter ..	15,911	215	15,696	15,978	10,733	2,072	355	52	2,766	—856	574
Seasonally adjusted											
1971 1st quarter ..	11,441	133	11,308	11,646	8,006	1,406	307	51	1,876	—345	7
2nd quarter ..	11,900	131	11,769	12,027	8,232	1,445	374	46	1,930	—390	132
3rd quarter ..	12,578	134	12,444	12,348	8,469	1,435	411	44	1,989	—184	280
4th quarter ..	12,756	118	12,638	12,549	8,624	1,470	372	44	2,039	—139	228
1972 1st quarter ..	12,927	115	12,812	12,770	8,817	1,499	290	53	2,111	—255	297
2nd quarter ..	13,222	111	13,111	13,387	9,137	1,614	408	45	2,183	—278	2
3rd quarter ..	13,577	110	13,467	13,801	9,392	1,692	445	31	2,241	—357	23
4th quarter ..	14,214	140	14,074	14,500	9,792	1,779	469	49	2,411	—429	3
1973 1st quarter ..	15,340	136	15,204	15,088	10,113	1,962	442	32	2,539	—396	512
2nd quarter ..	15,304	169	15,135	15,689	10,415	2,143	441	46	2,644	—620	66
3rd quarter ..	15,947	193	15,754	16,200	10,783	2,165	436	52	2,764	—856	410

(1) Before providing for depreciation and stock appreciation.
(2) Wages and salaries, Forces' pay and employers' contributions.

Index numbers of output at constant factor cost

TABLE 3

1970=100

	Gross domestic product (1)	Agriculture, forestry and fishing	Industrial production					Transport and communication	Distributive trades	Other services
			Total (2)	Mining and quarrying (2)	Manufacturing (2)	Construction	Gas, electricity and water (2)			
1970 weights	*1000*	*30*	*439*	*16*	*327*	*64*	*32*	*84*	*104*	*343*
1967	92·4	95	91·7	114·5	89·8	100·4	86·0	89	95	95
1968	96·5	94	97·2	111·4	95·8	103·5	91·6	92	98	96
1969	98·4	95	99·9	104·9	99·6	102·1	96·2	96	98	98
1970	100·0	100	100·0	100·0	100·0	100·0	100·0	100	100	100
1971	101·4	106	100·5	99·7	99·7	102·8	103·9	100	101	102
1972	104·1	108	102·2	84·0	101·6	105·2	111·1	105	106	105
Seasonally adjusted										
1971 1st quarter ..	100·0	103	100·2	102·5	100·0	100·9	99·2	97	99	100
2nd quarter ..	101·3	105	100·9	102·9	100·3	102·1	102·5	100	100	102
3rd quarter ..	101·8	108	100·6	101·4	99·4	103·3	105·8	101	101	103
4th quarter ..	102·3	108	100·4	92·0	99·0	105·3	108·0	103	102	104
1972 1st quarter ..	101·4	109	98·0	45·4	98·4	106·9	102·9	102	103	105
2nd quarter ..	104·3	108	102·7	95·7	101·3	107·7	111·6	106	105	105
3rd quarter ..	104·3	107	102·4	95·0	101·6	101·7	115·1	106	107	105
4th quarter ..	106·2	107	105·7	99·7	105·3	104·6	114·8	108	109	105
1973 1st quarter ..	109·3	109	110·4	99·3	110·5	110·3	115·1	109	113	107
2nd quarter ..	108·9	109	110·4	94·8	110·3	109·8	119·5	110	111	106
3rd quarter ..	109·9	111	111·4	93·0	112·0	108·6	120·0	111	113	107

(1) Alternative estimates of the gross domestic product are given in Table 4.
(2) Monthly figures and figures for individual manufacturing industries are given in Table 50 of the *Monthly Digest of Statistics*.

Gross domestic product at factor cost (1)

TABLE 4

1970=100

	At current prices		At 1970 prices			
	Based on expenditure data	Based on income data	Based on expenditure data	Based on income data(2)	Based on output data	Average estimate
1967	81·4	80·8	93·8	93·1	92·4	93·1
1968	87·1	87·0	97·3	97·2	96·5	97·0
1969	91·5	91·7	98·5	98·7	98·4	98·5
1970	100·0	100·0	100·0	100·0	100·0	100·0
1971	112·6	110·9	102·1	100·6	101·4	101·3
1972	125·0	124·0	103·3	102·7	104·1	103·3
Seasonally adjusted						
1971 1st quarter	105·7	105·5	99·9	99·3	100·0	99·7
2nd quarter	110·0	108·6	101·3	100·2	101·3	100·9
3rd quarter	116·3	113·6	103·9	101·5	101·8	102·4
4th quarter	118·1	115·9	103·1	101·3	102·3	102·3
1972 1st quarter	119·8	116·8	102·0	99·5	101·4	101·0
2nd quarter	122·6	122·4	103·3	103·2	104·3	103·6
3rd quarter	125·9	125·5	103·0	102·7	104·3	103·4
4th quarter	131·6	131·4	105·0	104·9	106·2	105·4
1973 1st quarter	142·1	137·2	110·9	107·1	109·3	109·1
2nd quarter	141·5	140·7	109·1	108·5	108·9	108·8
3rd quarter	147·3	143·3	111·1	108·0	109·9	109·7

(1) These estimates are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
(2) Income data deflated by the price index implied by estimates based on expenditure data.

Personal income, expenditure and saving

TABLE 5

£ million

	Personal income before tax						Transfers abroad (net) and taxes paid abroad	UK taxes on income (payments) (6)	National insurance, etc. contributions	Total personal disposable income (7) (8)	Consumers' expenditure	Balance: personal saving (8) (9)		Personal disposable income at 1970 prices(10)
	Total (1)	Wages and salaries	Forces' pay	Employers' contributions (2)	Current grants from public authorities(3)	Other personal income (4) (5)								
1967..	33,826	21,140	524	2,042	3,189	6,931	64	4,076	1,909	27,777	25,455	2,322	*8·4*	32,563
1968..	36,415	22,515	542	2,284	3,679	7,395	77	4,533	2,165	29,640	27,335	2,305	*7·8*	33,133
1969..	38,903	24,080	539	2,414	3,937	7,933	71	5,149	2,244	31,439	28,968	2,471	*7·9*	33,251
1970..	42,959	26,780	658	2,741	4,336	8,444	57	5,881	2,654	34,367	31,404	2,963	*8·6*	34,367
1971..	47,321	29,565	758	3,008	4,782	9,208	52	6,438	2,835	37,996	34,838	3,158	*8·3*	35,131
1972..	53,069	32,850	863	3,425	5,857	10,074	97	6,662	3,333	42,977	39,263	3,714	*8·6*	37,342
Unadjusted														
1971 1st quarter ..	11,246	7,050	167	699	1,119	2,211	6	1,667	636	8,937	7,798	1,139	*12·7*	8,531
2nd quarter ..	11,694	7,305	181	751	1,156	2,301	12	1,651	714	9,317	8,633	684	*7·3*	8,633
3rd quarter ..	11,977	7,475	195	759	1,177	2,371	12	1,611	711	9,643	8,931	712	*7·4*	8,824
4th quarter ..	12,404	7,735	215	799	1,330	2,325	22	1,509	774	10,099	9,476	623	*6·2*	9,143
1972 1st quarter ..	12,565	7,695	199	818	1,406	2,447	19	1,875	794	9,877	8,836	1,041	*10·5*	8,801
2nd quarter ..	13,174	8,100	208	844	1,435	2,587	22	1,617	824	10,711	9,654	1,057	*9·9*	9,413
3rd quarter ..	13,261	8,255	231	861	1,401	2,513	27	1,614	835	10,785	10,003	782	*7·3*	9,326
4th quarter ..	14,069	8,800	225	902	1,615	2,527	29	1,556	880	11,604	10,770	834	*7·2*	9,802
1973 1st quarter ..	14,482	8,825	222	941	1,593	2,901	28	1,987	944	11,523	10,250	1,273	*11·0*	9,505
2nd quarter ..	15,069	9,270	215	950	1,574	3,060	33	1,957	945	12,134	10,890	1,244	*10·3*	9,804
3rd quarter ..	15,470	9,495	258	980	1,576	3,161	32	1,956	988	12,494	11,312	1,182	*9·5*	9,900
Seasonally adjusted														
1971 1st quarter ..	11,305	7,140	167	699	1,091	2,208	6	1,577	636	9,086	8,236	850	*9·4*	8,676
2nd quarter ..	11,685	7,300	181	751	1,164	2,289	12	1,601	714	9,358	8,619	739	*7·9*	8,694
3rd quarter ..	11,989	7,515	195	759	1,198	2,322	12	1,611	711	9,655	8,900	755	*7·8*	8,809
4th quarter ..	12,342	7,610	215	799	1,329	2,389	22	1,649	774	9,897	9,083	814	*8·2*	8,952
1972 1st quarter ..	12,628	7,800	199	818	1,368	2,443	19	1,764	794	10,051	9,320	731	*7·3*	8,983
2nd quarter ..	13,151	8,085	208	844	1,434	2,580	22	1,562	824	10,743	9,616	1,127	*10·5*	9,454
3rd quarter ..	13,287	8,300	231	861	1,434	2,461	27	1,626	835	10,799	9,954	845	*7·8*	9,314
4th quarter ..	14,003	8,665	225	902	1,621	2,590	29	1,710	880	11,384	10,373	1,011	*8·9*	9,591
1973 1st quarter ..	14,521	8,950	222	941	1,554	2,854	28	1,833	944	11,716	10,862	854	*7·3*	9,683
2nd quarter ..	15,080	9,250	215	950	1,570	3,095	33	1,921	945	12,181	10,898	1,283	*10·5*	9,863
3rd quarter ..	15,486	9,545	258	980	1,604	3,099	32	1,960	988	12,506	11,245	1,261	*10·1*	9,896

(1) Before providing for depreciation and stock appreciation.
(2) Employers' contributions to national insurance, etc. and pension funds.
(3) National insurance benefits, family allowances, assistance grants, war pensions and service grants, etc.
(4) Income from rent and self-employment, before providing for depreciation and stock appreciation, dividend and net interest receipts and transfers to charities from companies.
(5) From the second quarter of 1973 includes tax credits on dividends.
(6) From the second quarter of 1973 includes imputed tax payments set against tax credits on dividends *less* payments of these tax credits by the Inland Revenue.
(7) Equals total personal income before tax *less* taxes on income, national insurance, etc. contributions, and net transfers abroad.
(8) Before providing for depreciation, stock appreciation and additions to tax reserves.
(9) Personal saving as a percentage of personal disposable income is shown in italics.
(10) Personal disposable income revalued by the price index for consumer goods and services (1970=100).

Appropriation account of companies

TABLE 6 — £ million

	Total	Income			Allocation of income				
		Income arising in the United Kingdom		Income from abroad	Dividends and interest, etc.		Profits due abroad (net of UK tax) and taxes paid abroad	United Kingdom taxes on income (payments) (3)	Balance: undistributed income(4)
		Gross trading profits (1)	Rent and non-trading income		Payments of dividends on ordinary shares(2)	Other			
1967	7,535	4,663	1,466	1,406	1,515	1,279	783	1,002	2,956
1968	8,728	5,275	1,725	1,728	1,512	1,475	1,080	1,093	3,568
1969	9,111	5,143	1,916	2,052	1,624	1,719	1,128	1,167	3,473
1970	9,642	5,279	2,149	2,214	1,521	1,862	1,325	1,538	3,396
1971	10,766	5,756	2,460	2,550	1,642	1,987	1,705	1,540	3,892
1972	12,360	6,584	2,946	2,830	1,604	2,223	2,031	1,467	5,035
Unadjusted									
1971 1st quarter ..	2,523	1,324	580	619	322	480	387	1,245	89
2nd quarter ..	2,765	1,501	589	675	519	503	440	115	1,188
3rd quarter ..	2,633	1,373	635	625	387	483	409	134	1,220
4th quarter ..	2,845	1,558	656	631	414	521	469	46	1,395
1972 1st quarter ..	2,738	1,405	670	663	359	484	470	1,276	149
2nd quarter ..	3,048	1,676	691	681	597	533	487	107	1,324
3rd quarter ..	3,079	1,617	773	689	366	558	487	111	1,557
4th quarter ..	3,495	1,886	812	797	282	648	587	— 27	2,005
1973 1st quarter ..	3,654	1,840	910	904	445	680	635	1,251	643
2nd quarter ..	4,088	2,233	937	918	570	761	611	43	2,103
3rd quarter ..	4.062	2,072	1,052	938	275	825	615	218	2,129
Seasonally adjusted									
1971 1st quarter ..	2,608	1,406	582	620	398	494	393	209	1,114
2nd quarter ..	2,693	1,445	600	648	403	493	430	532	835
3rd quarter ..	2,708	1,435	634	639	421	497	428	390	972
4th quarter ..	2,757	1,470	644	643	420	503	454	409	971
1972 1st quarter ..	2,834	1,499	673	662	445	499	476	283	1,131
2nd quarter ..	2,977	1,614	704	659	465	523	475	448	1,066
3rd quarter ..	3,170	1,692	771	707	401	572	510	376	1,311
4th quarter ..	3,379	1,779	798	802	293	629	570	360	1,527
1973 1st quarter ..	3,781	1,962	914	905	506	693	643	315	1,624
2nd quarter ..	3,980	2,143	954	883	483	753	595	443	1,706
3rd quarter ..	4,178	2,165	1,048	965	294	841	645	442	1,956

(1) Before providing for depreciation and stock appreciation.
(2) With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.
(3) Payments of corporation tax (including advance corporation tax) *less* increases in balance of deductions of income tax, from interest payments and from wages and salaries under PAYE, over payments to the Inland Revenue. Up to 5 April 1973 the balance of deductions of income tax from dividends over payments to the Inland Revenue is also deducted. In the third quarter of 1973 the amount of advance corporation tax included was £134 million.
(4) Before providing for depreciation, stock appreciation and additions to reserves.

Appropriation account of public corporations

TABLE 7

£ million

	Total	Income			Allocation of income		
		Gross trading surplus (1)	Rent and non-trading income	Income from abroad	Interest payments	United Kingdom taxes on income (payments)(2)	Balance: undistributed income (3)
1967	1,244	1,132	102	10	552	9	683
1968	1,498	1,363	122	13	636	17	845
1969	1,609	1,451	143	15	722	8	879
1970	1,576	1,395	166	15	781	8	787
1971	1,647	1,464	169	14	860	8	779
1972	1,808	1,612	180	16	911	8	889
Unadjusted							
1971 1st quarter	412	366	42	4	242	8	162
2nd quarter	397	352	42	3	195	—	202
3rd quarter	374	328	42	4	222	—	152
4th quarter	464	418	43	3	201	—	263
1972 1st quarter	401	353	44	4	263	8	130
2nd quarter	422	373	45	4	184	—	238
3rd quarter	416	367	45	4	278	—	138
4th quarter	569	519	46	4	186	—	383
1973 1st quarter	560	497	59	4	335	8	217
2nd quarter	474	408	62	4	191	—	283
3rd quarter	437	355	78	4	349	—	88
Seasonally adjusted							
1971 1st quarter	353	307	42	4	210	2	141
2nd quarter	419	374	42	3	214	2	203
3rd quarter	457	411	42	4	219	2	236
4th quarter	418	372	43	3	217	2	199
1972 1st quarter	338	290	44	4	221	2	115
2nd quarter	457	408	45	4	226	2	229
3rd quarter	494	445	45	4	230	2	262
4th quarter	519	469	46	4	234	2	283
1973 1st quarter	505	442	59	4	254	2	249
2nd quarter	507	441	62	4	263	2	242
3rd quarter	518	436	78	4	277	2	239

(1) Before providing for depreciation and stock appreciation.
(2) Payments to Inland Revenue *less* amounts deducted from dividends and interest paid.
(3) Before providing for depreciation, stock appreciation and additions to reserves.

Current account of central government including National Insurance Funds

TABLE 8 — Receipts — £ million

	Total	Gross trading surplus (1)	Rent, dividends and interest	Taxes on income (2)	Taxes on expenditure		National insurance contributions	National health contributions	Redundancy Fund contributions
					Selective employment tax	Other taxes			
1967	12,384	16	830	5,092	470	4,067	1,712	164	33
1968	14,059	30	946	5,648	531	4,739	1,946	178	41
1969	15,825	40	1,089	6,330	766	5,356	2,005	186	53
1970	17,971	35	1,240	7,433	850	5,759	2,394	208	52
1971	19,026	42	1,436	7,992	665	6,056	2,547	236	52
1972	19,996	16	1,601	8,144	448	6,454	3,048	233	52
Unadjusted									
1971 1st quarter ..	5,563	16	370	2,967	197	1,377	568	56	12
2nd quarter ..	4,570	11	335	1,787	224	1,499	639	61	14
3rd quarter ..	4,430	8	367	1,697	134	1,513	638	60	13
4th quarter ..	4,463	7	364	1,541	110	1,667	702	59	13
1972 1st quarter ..	6,060	14	432	3,208	108	1,504	724	57	13
2nd quarter ..	4,661	5	367	1,737	112	1,616	752	59	13
3rd quarter ..	4,636	—10	427	1,684	114	1,586	764	58	13
4th quarter ..	4,639	7	375	1,515	114	1,748	808	59	13
1973 1st quarter ..	6,464	—12	489	3,288	114	1,641	872	59	13
2nd quarter ..	4,769	—	378	1,879	30	1,537(3)	873	59	13
3rd quarter ..	5,330	5	476	2,000	—	1,861	915	60	13
Seasonally adjusted									
1971 1st quarter ..	4,437	16	328	1,790	197	1,470	568	56	12
2nd quarter ..	4,945	11	354	2,136	224	1,506	639	61	14
3rd quarter ..	4,736	8	371	2,005	134	1,507	638	60	13
4th quarter ..	4,908	7	383	2,061	110	1,573	702	59	13
1972 1st quarter ..	4,967	14	394	2,051	108	1,606	724	57	13
2nd quarter ..	4,977	5	393	2,013	112	1,630	752	59	13
3rd quarter ..	4,926	—10	400	2,006	114	1,581	764	58	13
4th quarter ..	5,126	7	414	2,074	114	1,637	808	59	13
1973 1st quarter ..	5,371	—12	407	2,152	114	1,766	872	59	13
2nd quarter ..	5,203	—	437	2,251	30	1,540(3)	873	59	13
3rd quarter ..	5,515	5	415	2,275	—	1,832	915	60	13

(1) Before providing for depreciation and stock appreciation.
(2) Tax receipts *less* tax credits.
(3) See footnote (2) to Table 1.

Current account of central government including National Insurance Funds

TABLE 8 (*continued*) — Expenditure — £ million

	Total	Total current expenditure	Current expenditure on goods and services				Subsidies	National insurance benefits	Other current grants to personal sector	Debt interest	Current grants to local authorities	Current grants paid abroad	Balance: current surplus (1)
			Total	Military defence	National health service	Other							
1967	12,384	11,305	4,510	2,335	1,272	903	727	2,084	985	1,105	1,706	188	1,079
1968	14,059	12,415	4,742	2,370	1,376	996	810	2,360	1,186	1,240	1,898	179	1,644
1969	15,825	12,943	4,854	2,255	1,493	1,106	744	2,429	1,360	1,280	2,099	177	2,882
1970	17,971	14,247	5,409	2,420	1,725	1,264	744	2,715	1,459	1,298	2,450	172	3,724
1971	19,026	15,991	6,142	2,712	1,949	1,481	797	2,924	1,686	1,384	2,858	200	3,035
1972	19,996	18,617	6,886	3,015	2,240	1,631	1,038	3,483	2,121	1,599	3,301	189	1,379
Unadjusted													
1971 1st quarter	5,563	3,881	1,461	643	475	343	195	673	391	359	745	57	1,682
2nd quarter	4,570	3,836	1,493	653	482	358	194	690	414	277	723	45	734
3rd quarter	4,430	4,030	1,572	700	491	381	186	713	420	404	687	48	400
4th quarter	4,463	4,244	1,616	716	501	399	222	848	461	344	703	50	219
1972 1st quarter	6,060	4,720	1,723	730	559	434	316	886	455	440	837	63	1,340
2nd quarter	4,661	4,462	1,631	725	533	373	231	826	538	346	845	45	199
3rd quarter	4,636	4,561	1,725	764	557	404	254	826	520	413	780	43	75
4th quarter	4,639	4,874	1,807	796	591	420	237	945	608	400	839	38	—235
1973 1st quarter	6,464	5,191	1,885	807	607	471	255	943	516	469	1,033	90	1,273
2nd quarter	4,769	5,083	1,850	836	593	421	266	923	517	352	1,068	107	—314
3rd quarter	5,330	5,278	1,987	907	640	440	263	936	521	525	974	72	52
Seasonally adjusted													
1971 1st quarter	4,437	3,803	1,434	642	463	329	198	660	389	318	761	43	634
2nd quarter	4,945	3,943	1,524	665	493	366	198	709	412	342	710	48	1,002
3rd quarter	4,736	4,024	1,576	698	493	385	191	722	433	355	692	55	712
4th quarter	4,908	4,221	1,608	707	500	401	210	833	452	369	695	54	687
1972 1st quarter	4,967	4,621	1,690	729	545	416	318	866	456	385	857	49	346
2nd quarter	4,977	4,594	1,665	737	546	382	235	846	534	434	831	49	383
3rd quarter	4,926	4,570	1,731	763	559	409	260	836	536	366	793	48	356
4th quarter	5,126	4,832	1,800	786	590	424	225	935	595	414	820	43	294
1973 1st quarter	5,371	5,104	1,852	807	593	452	257	923	517	414	1,060	81	267
2nd quarter	5,203	5,178	1,888	850	608	430	270	943	513	441	1,043	80	25
3rd quarter	5,515	5,301	1,991	905	642	444	272	946	537	476	993	86	214

(1) Before providing for depreciation and stock appreciation.

Current account of local authorities

TABLE 9

£ million

	Receipts						Expenditure							
				Rates				Current expenditure on goods and services						
	Total	Gross trading surplus (1)	Rent, dividends and interest	Cash receipts	Accruals adjustment(2)	Current grants from central government	Total current expenditure	Education	Other	Subsidies	Current grants to personal sector	Debt interest	Taxes on income (payments) (3)	Balance: current surplus (1)
1967..	4,027	94	760	1,466	1	1,706	3,641	1,299	1,463	88	120	671	—	386
1968..	4,411	102	863	1,570	— 22	1,898	4,009	1,428	1,557	100	133	791	—	402
1969..	4,876	106	1,004	1,662	5	2,099	4,423	1,562	1,672	111	148	930	—	453
1970..	5,527	117	1,136	1,842	— 18	2,450	5,031	1,777	1,909	115	162	1,068	—	496
1971..	6,299	143	1,211	2,120	— 33	2,858	5,571	2,034	2,163	98	172	1,104	—	728
1972..	7,162	162	1,322	2,442	— 65	3,301	6,328	2,349	2,467	95	253	1,164	—	834
Unadjusted														
1971 1st quarter ..	1,545	35	295	362	108	745	1,437	475	518	32	55	312	45	108
2nd quarter ..	1,592	35	300	594	— 60	723	1,363	494	546	23	52	228	20	229
3rd quarter ..	1,568	36	306	469	70	687	1,369	509	541	23	44	302	—50	199
4th quarter ..	1,594	37	310	695	—151	703	1,402	556	558	20	21	262	—15	192
1972 1st quarter ..	1,737	39	311	409	141	837	1,610	563	585	21	65	329	47	127
2nd quarter ..	1,817	40	327	741	—136	845	1,530	581	596	29	71	241	12	287
3rd quarter ..	1,765	41	335	479	130	780	1,562	586	629	30	55	305	—43	203
4th quarter ..	1,843	42	349	813	—200	839	1,626	619	657	15	62	289	—16	217
1973 1st quarter ..	2,052	44	357	412	206	1,033	1,897	636	677	23	134	387	40	155
2nd quarter ..	2,162	46	374	685	— 11	1,068	1,781	656	685	20	134	272	14	381
3rd quarter ..	2,081	47	383	589	88	974	1,871	672	715	23	119	395	—53	210
Seasonally adjusted														
1971 1st quarter ..	1,561	35	295	470		761	1,310	470	517	28	42	253	—	251
2nd quarter ..	1,579	35	300	534		710	1,396	492	550	22	43	289	—	183
3rd quarter ..	1,573	36	306	539		692	1,395	517	540	24	43	271	—	178
4th quarter ..	1,586	37	310	544		695	1,470	555	556	24	44	291	—	116
1972 1st quarter ..	1,757	39	311	550		857	1,486	557	585	23	46	275	—	271
2nd quarter ..	1,803	40	327	605		831	1,547	578	600	24	54	291	—	256
3rd quarter ..	1,778	41	335	609		793	1,598	596	627	24	62	289	—	180
4th quarter ..	1,824	42	349	613		820	1,697	618	655	24	91	309	—	127
1973 1st quarter ..	2,079	44	357	618		1,060	1,752	628	676	23	114	311	—	327
2nd quarter ..	2,137	46	374	674		1,043	1,817	653	689	20	114	341	—	320
3rd quarter ..	2,100	47	383	677		993	1,907	683	713	23	121	367	—	193

(1) Before providing for depreciation and stock appreciation.
(2) Adjustment to accruals of rates for the quarter as included in taxes on expenditure and the adjustment to factor cost in Table 1.
(3) Payments to Inland Revenue less amounts deducted from interest paid.

Combined capital account

TABLE 10 — **Receipts** — £ million

	Total	Saving(1)						less Stock appreciation	Residual error
		Total	Personal sector	Companies	Public corporations	Central government	Local authorities		
1967	7,444	7,426	2,322	2,956	683	1,079	386	—187	205
1968	8,210	8,764	2,305	3,568	845	1,644	402	—564	10
1969	9,319	10,158	2,471	3,473	879	2,882	453	—733	—106
1970	10,172	11,366	2,963	3,396	787	3,724	496	—1,137	— 57
1971	11,181	11,592	3,158	3,892	779	3,035	728	—1,058	647
1972	10,857	11,851	3,714	5,035	889	1,379	834	—1,319	325
Unadjusted									
1971 1st quarter ..	2,493	3,180	1,139	89	162	1,682	108	—345	—342
2nd quarter ..	2,743	3,037	684	1,188	202	734	229	—390	96
3rd quarter ..	2,926	2,683	712	1,220	152	400	199	—184	427
4th quarter ..	3,019	2,692	623	1,395	263	219	192	—139	466
1972 1st quarter ..	2,446	2,787	1,041	149	130	1,340	127	—255	— 86
2nd quarter ..	2,822	3,105	1,057	1,324	238	199	287	—278	— 5
3rd quarter ..	2,554	2,755	782	1,557	138	75	203	—357	156
4th quarter ..	3,035	3,204	834	2,005	383	—235	217	—429	260
1973 1st quarter ..	3,181	3,561	1,273	643	217	1,273	155	—396	16
2nd quarter ..	3,030	3,697	1,244	2,103	283	—314	381	—620	— 47
3rd quarter ..	3,379	3,661	1,182	2,129	88	52	210	—856	574

Payments — £ million

	Total	Gross domestic fixed capital formation						Value of physical increase in stocks and work in progress	Net investment abroad(2)
		Total	Personal sector	Companies	Public corporations	Central government	Local authorities		
1967	7,444	7,438	1,134	2,680	1,661	395	1,568	322	—316
1968	8,210	8,055	1,264	2,996	1,625	458	1,712	439	—284
1969	9,319	8,458	1,182	3,544	1,489	486	1,757	416	445
1970	10,172	9,223	1,219	3,905	1,650	576	1,873	257	692
1971	11,181	10,101	1,771	3,916	1,838	601	1,975	19	1,061
1972	10,857	11,214	2,300	4,275	1,782	642	2,215	—440	83
Unadjusted									
1971 1st quarter ..	2,493	2,421	314	898	516	155	538	8	64
2nd quarter ..	2,743	2,411	455	974	407	140	435	— 15	347
3rd quarter ..	2,926	2,526	484	983	442	146	471	30	370
4th quarter ..	3,019	2,743	518	1,061	473	160	531	— 4	280
1972 1st quarter ..	2,446	2,741	523	956	513	172	577	—272	— 23
2nd quarter ..	2,822	2,665	633	997	412	145	478	— 30	187
3rd quarter ..	2,554	2,754	548	1,071	426	167	542	— 51	—149
4th quarter ..	3,035	3,054	596	1,251	431	158	618	— 87	68
1973 1st quarter ..	3,181	3,351	680	1,220	562	205	684	179	—349
2nd quarter ..	3,030	3,141	695	1,272	422	162	590	72(3)	—183
3rd quarter ..	3,379	3,465	735	1,327	475	195	733	249	—335

(1) Before providing for depreciation, stock appreciation and additions to reserves.
(2) Equal to the current balance in the balance of payments accounts.
(3) See footnote (5) to Table 1.

International transactions

TABLE 11 — **United Kingdom credits** — £ million

	Total credits	Exports and property income from abroad				Current transfers to personal sector
		Exports of goods(1)	Exports of services	Property income from abroad	United Kingdom taxes paid by non-residents	
1967	9,094	5,124	2,121	1,558	148	143
1968	10,982	6,274	2,528	1,873	136	171
1969	12,401	7,063	2,787	2,198	172	181
1970	14,116	7,893	3,362	2,392	277	192
1971	15,865	8,796	3,836	2,761	270	202
1972	16,904	9,134	4,174	3,107	278	211
Unadjusted						
1971 1st quarter	3,611	1,972	861	663	65	50
2nd quarter	4,103	2,308	950	726	69	50
3rd quarter	4,048	2,194	1,065	680	58	51
4th quarter	4,103	2,322	960	692	78	51
1972 1st quarter	3,961	2,170	945	731	63	52
2nd quarter	4,268	2,385	1,005	753	73	52
3rd quarter	3,921	1,902	1,144	760	62	53
4th quarter	4,754	2,677	1,080	863	80	54
1973 1st quarter	4,806	2,626	1,075	965	85	55
2nd quarter	5,173	2,854	1,195	984	85	55
3rd quarter	5,345	2,787	1,395	1,019	88	56
Seasonally adjusted						
1971 1st quarter	3,718	2,007	929	664	68	50
2nd quarter	4,030	2,260	957	696	67	50
3rd quarter	4,068	2,286	968	699	64	51
4th quarter	4,049	2,243	982	702	71	51
1972 1st quarter	4,056	2,183	1,022	733	66	52
2nd quarter	4,175	2,307	1,018	728	70	52
3rd quarter	4,001	2,058	1,045	777	68	53
4th quarter	4,672	2,586	1,089	869	74	54
1973 1st quarter	4,890	2,633	1,146	967	89	55
2nd quarter	5,113	2,810	1,218	948	82	55
3rd quarter	5,451	2,987	1,277	1,043	88	56

(1) On a balance of payments basis.

TABLE 11 (*continued*) **United Kingdom debits** £ million

	Total	Total debits	Imports and property income paid abroad				Current transfers		Balance: net investment abroad (3)
			Imports of goods (1)	Imports of services	Property income paid abroad	Foreign taxes paid by United Kingdom residents	From personal sector	From central government (2)	
1967	9,094	9,410	5,681	2,027	746	581	187	188	—316
1968	10,982	11,266	6,933	2,254	908	766	226	179	—284
1969	12,401	11,956	7,206	2,472	1,011	860	230	177	445
1970	14,116	13,424	7,902	2,970	1,150	1,004	226	172	692
1971	15,865	14,804	8,511	3,346	1,225	1,290	232	200	1,061
1972	16,904	16,821	9,819	3,618	1,409	1,500	286	189	83
Unadjusted									
1971 1st quarter ..	3,611	3,547	2,113	758	280	289	50	57	64
2nd quarter ..	4,103	3,756	2,176	833	313	332	57	45	347
3rd quarter ..	4,048	3,678	2,042	943	265	323	57	48	370
4th quarter ..	4,103	3,823	2,180	812	367	346	68	50	280
1972 1st quarter ..	3,961	3,984	2,379	817	309	351	65	63	— 23
2nd quarter ..	4,268	4,081	2,413	855	353	346	69	45	187
3rd quarter ..	3,921	4,070	2,233	1,031	318	371	74	43	—149
4th quarter ..	4,754	4,686	2,794	915	429	432	78	38	68
1973 1st quarter ..	4,806	5,155	3,156	939	422	471	77	90	—349
2nd quarter ..	5,173	5,356	3,235	1,054	437	440	83	107	—183
3rd quarter ..	5,345	5,680	3,381	1,253	421	471	82	72	—335
Seasonally adjusted									
1971 1st quarter ..	3,718	3,573	2,059	822	310	289	50	43	145
2nd quarter ..	4,030	3,742	2,155	850	307	325	57	48	288
3rd quarter ..	4,068	3,688	2,114	833	297	332	57	55	380
4th quarter ..	4,049	3,801	2,183	841	311	344	68	54	248
1972 1st quarter ..	4,056	3,977	2,302	877	333	351	65	49	79
2nd quarter ..	4,175	4,044	2,357	882	348	339	69	49	131
3rd quarter ..	4,001	4,111	2,342	912	354	381	74	48	—110
4th quarter ..	4,672	4,689	2,818	947	374	429	78	43	— 17
1973 1st quarter ..	4,890	5,077	2,997	1,002	448	472	77	81	—187
2nd quarter ..	5,113	5,321	3,221	1,076	431	430	83	80	—208
3rd quarter ..	5,451	5,768	3,537	1,125	454	484	82	86	—317

(1) On a balance of payments basis.
(2) From the beginning of 1973 net of receipts from the EEC.
(3) Equal to the current balance in the balance of payments accounts.

Consumers' expenditure

TABLE 12

£ million

	Total	Food (household expenditure)	Alcoholic drink		Tobacco	Housing	Fuel and light	Clothing		Durable goods				Other goods	Other services
			Beer	Wines, spirits, etc.				Footwear	Other	Total	Cars and motor cycles	Furniture and floor coverings	Radio and electrical goods, etc.		
At current prices															
1967 ..	25,455	5,457	1,021	718	1,512	3,149	1,208	376	1,826	1,902	781	586	535	3,632	4,654
1968 ..	27,335	5,655	1,067	803	1,578	3,429	1,340	393	1,944	2,113	876	644	593	4,083	4,930
1969 ..	28,968	5,970	1,201	828	1,694	3,760	1,429	410	2,037	2,034	800	641	593	4,384	5,221
1970 ..	31,404	6,365	1,355	956	1,720	4,133	1,495	449	2,217	2,322	969	683	670	4,764	5,628
1971 ..	34,838	6,961	1,526	1,089	1,691	4,639	1,612	483	2,390	2,943	1,384	769	790	5,296	6,208
1972 ..	39,263	7,453	1,650	1,298	1,808	5,269	1,791	547	2,732	3,616	1,747	894	975	6,014	7,085
1971 1st qtr.	7,798	1,637	325	171	383	1,088	481	91	473	666	324	167	175	1,158	1,325
2nd qtr.	8,633	1,726	385	235	437	1,187	391	121	587	715	373	177	165	1,280	1,569
3rd qtr.	8,931	1,752	422	261	442	1,184	299	117	563	787	390	194	203	1,373	1,731
4th qtr.	9,476	1,846	394	422	429	1,180	441	154	767	775	297	231	247	1,485	1,583
1972 1st qtr.	8,836	1,814	350	209	413	1,209	524	106	540	824	412	195	217	1,306	1,541
2nd qtr.	9,654	1,809	419	286	469	1,324	434	131	639	922	508	205	209	1,444	1,777
3rd qtr.	10,003	1,840	447	309	467	1,317	349	135	660	922	455	223	244	1,558	1,999
4th qtr.	10,770	1,990	434	494	459	1,419	484	175	893	948	372	271	305	1,706	1,768
1973 1st qtr.	10,250	2,001	365	266	433	1,453	578	134	668	1,094	564	263	267	1,505	1,753
2nd qtr.	10,890	2,047	455	378	503	1,554	443	149	730	982	533	217	232	1,630	2,019
3rd qtr.	11,312	2,073	523	396	502	1,568	349	150	733	1,009	495	243	271	1,758	2,251
Revalued at 1970 prices															
1967 ..	29,841	6,228	1,196	817	1,752	3,790	1,393	415	2,028	2,206	900	691	615	4,412	5,604
1968 ..	30,556	6,260	1,235	884	1,744	3,934	1,432	425	2,130	2,337	959	729	649	4,620	5,555
1969 ..	30,638	6,264	1,309	849	1,723	4,059	1,484	432	2,145	2,168	855	692	621	4,648	5,557
1970 ..	31,404	6,365	1,355	956	1,720	4,133	1,495	449	2,217	2,322	969	683	670	4,764	5,628
1971 ..	32,211	6,359	1,419	1,053	1,658	4,206	1,482	454	2,230	2,730	1,281	704	745	4,921	5,699
1972 ..	34,115	6,333	1,454	1,207	1,748	4,275	1,535	470	2,386	3,248	1,559	774	915	5,351	6,108
Unadjusted															
1971 1st qtr.	7,448	1,566	308	167	375	1,039	464	88	453	630	306	157	167	1,102	1,256
2nd qtr.	8,003	1,586	356	228	428	1,075	361	114	553	661	345	162	154	1,190	1,451
3rd qtr.	8,177	1,574	390	251	435	1,058	267	109	524	725	358	176	191	1,264	1,580
4th qtr.	8,583	1,633	365	407	420	1,034	390	143	700	714	272	209	233	1,365	1,412
1972 1st qtr.	7,876	1,587	317	201	402	1,051	462	95	485	755	377	174	204	1,181	1,340
2nd qtr.	8,487	1,570	371	269	455	1,094	371	115	564	831	453	180	198	1,296	1,551
3rd qtr.	8,652	1,547	391	284	451	1,075	296	114	576	827	405	193	229	1,380	1,711
4th qtr.	9,100	1,629	375	453	440	1,055	406	146	761	835	324	227	284	1,494	1,506
1973 1st qtr.	8,455	1,578	315	241	413	1,069	488	110	560	952	482	218	252	1,309	1,420
2nd qtr.	8,799	1,574	392	336	481	1,100	373	119	596	850	449	173	228	1,393	1,585
3rd qtr.	8,963	1,542	450	350	479	1,092	294	116	580	860	413	183	264	1,478	1,722
Seasonally adjusted															
1971 1st qtr.	7,865	1,590	355	248	407	1,048	359	112	541	608	268	167	173	1,203	1,394
2nd qtr.	8,008	1,594	354	260	412	1,049	380	114	567	635	288	173	174	1,211	1,432
3rd qtr.	8,121	1,594	352	270	419	1,055	365	113	555	741	363	180	198	1,238	1,419
4th qtr.	8,217	1,581	358	275	420	1,054	378	115	567	746	362	184	200	1,269	1,454
1972 1st qtr.	8,329	1,611	365	298	437	1,060	352	119	578	720	324	186	210	1,295	1,494
2nd qtr.	8,462	1,578	369	302	437	1,068	387	115	577	796	381	192	223	1,318	1,515
3rd qtr.	8,585	1,567	353	302	434	1,072	403	119	613	850	417	196	237	1,352	1,520
4th qtr.	8,739	1,577	367	305	440	1,075	393	117	618	882	437	200	245	1,386	1,579
1973 1st qtr.	8,977	1,603	363	356	450	1,077	378	137	662	921	432	230	259	1,435	1,595
2nd qtr.	8,824	1,582	390	377	462	1,076	394	118	611	825	382	186	257	1,423	1,566
3rd qtr.	8,898	1,563	407	372	461	1,089	404	120	617	885	426	186	273	1,444	1,536

Gross domestic fixed capital formation

Analysis by sector and by type of asset

TABLE 13

£ million

	Total	Private sector (1)	Public sector(1)		Vehicles, ships and aircraft	Plant and machinery	Dwellings		Other new buildings and works(2)
			Public authorities	Public corporations			Private	Public	
At current prices									
1967	7,438	3,814	1,963	1,661	643	2,890	705	748	2,452
1968	8,055	4,260	2,170	1,625	791	2,992	766	818	2,688
1969	8,458	4,726	2,243	1,489	879	3,169	712	838	2,860
1970	9,223	5,124	2,449	1,650	969	3,589	702	801	3,162
1971	10,101	5,687	2,576	1,838	1,080	3,797	923	806	3,495
1972	11,214	6,575	2,857	1,782	1,303	3,905	1,278	812	3,916
1971 1st quarter ..	2,421	1,212	693	516	251	951	192	196	831
2nd quarter ..	2,411	1,429	575	407	292	878	227	199	815
3rd quarter ..	2,526	1,467	617	442	260	948	243	201	874
4th quarter ..	2,743	1,579	691	473	277	1,020	261	210	975
1972 1st quarter ..	2,741	1,479	749	513	310	998	282	213	938
2nd quarter ..	2,665	1,630	623	412	331	908	308	196	922
3rd quarter ..	2,754	1,619	709	426	298	951	324	192	989
4th quarter ..	3,054	1,847	776	431	364	1,048	364	211	1,067
1973 1st quarter ..	3,351	1,900	889	562	366	1,194	399	245	1,147
2nd quarter ..	3,141	1,967	752	422	335	1,032	460	232	1,082
3rd quarter ..	3,465	2,062	928	475	305	1,178	487	287	1,208
Revalued at 1970 prices									
1967	8,564	4,348	2,267	1,949	751	3,361	801	848	2,803
1968	8,951	4,727	2,397	1,827	900	3,365	846	894	2,946
1969	9,042	5,043	2,389	1,610	934	3,424	758	890	3,036
1970	9,223	5,124	2,449	1,650	969	3,589	702	801	3,162
1971	9,269	5,178	2,415	1,676	990	3,463	831	750	3,235
1972	9,382	5,441	2,422	1,519	1,114	3,354	983	688	3,243
Unadjusted									
1971 1st quarter ..	2,320	1,139	693	488	237	900	185	191	807
2nd quarter ..	2,252	1,329	544	379	274	811	208	189	770
3rd quarter ..	2,277	1,321	561	395	234	852	215	183	793
4th quarter ..	2,420	1,389	617	414	245	900	223	187	865
1972 1st quarter ..	2,378	1,278	656	444	273	875	233	187	810
2nd quarter ..	2,272	1,365	539	368	288	788	245	169	782
3rd quarter ..	2,273	1,325	592	356	252	813	245	160	803
4th quarter ..	2,459	1,473	635	351	301	878	260	172	848
1973 1st quarter ..	2,532	1,436	663	433	296	970	270	178	818
2nd quarter ..	2,303	1,443	541	319	267	835	297	163	741
3rd quarter ..	2,477	1,475	650	352	239	942	297	196	803
Seasonally adjusted									
1971 1st quarter ..	2,299	1,214	654	431	242	861	192	193	811
2nd quarter ..	2,332	1,326	591	415	262	870	202	195	803
3rd quarter ..	2,318	1,331	571	416	253	874	210	182	799
4th quarter ..	2,320	1,307	599	414	233	858	227	180	822
1972 1st quarter ..	2,366	1,343	630	393	282	838	242	189	815
2nd quarter ..	2,341	1,370	580	391	272	845	238	173	813
3rd quarter ..	2,321	1,341	599	381	276	834	240	159	812
4th quarter ..	2,354	1,387	613	354	284	837	263	167	803
1973 1st quarter ..	2,525	1,508	638	379	311	929	280	181	824
2nd quarter ..	2,374	1,443	580	351	252	894	289	167	772
3rd quarter ..	2,525	1,492	659	374	259	966	290	196	814

(1) Including purchases less sales of land and existing buildings.

(2) Including transfer costs of land and buildings.

Gross domestic fixed capital formation

TABLE 14 — Analysis by industry group — £ million

	Total	Mining and quarrying	Manufacturing (1)	Gas, electricity and water	Transport and communication	Distributive trades (1)	Other industries(2)	Dwellings	Public services	Transfer costs of land and buildings
At current prices										
1967	7,438	140	1,485	1,055	768	344	951	1,453	1,030	212
1968	8,055	126	1,591	901	944	406	1,075	1,584	1,193	235
1969	8,458	121	1,870	797	1,023	429	1,178	1,550	1,249	241
1970	9,223	136	2,129	783	1,180	475	1,296	1,503	1,447	274
1971	10,101	172	2,161	794	1,318	534	1,451	1,729	1,619	323
1972	11,214	209	2,092	721	1,491	624	1,683	2,090	1,851	453
1971 1st quarter	2,421	46	516	228	313	124	346	388	399	61
2nd quarter	2,411	39	514	171	343	130	343	426	368	77
3rd quarter	2,526	43	553	190	313	133	364	444	398	88
4th quarter	2,743	44	578	205	349	147	398	471	454	97
1972 1st quarter	2,741	48	521	203	358	139	398	495	484	95
2nd quarter	2,665	49	490	161	378	145	414	504	412	112
3rd quarter	2,754	54	514	175	351	151	410	516	461	122
4th quarter	3,054	58	567	182	404	189	461	575	494	124
1973 1st quarter	3,351	78	568	229	451	173	489	644	585	134
2nd quarter	3,141	87	538	175	380	176	470	692	487	136
3rd quarter	3,465	99	629	180	378	182	487	774	593	143
Revalued at 1970 prices										
1967	8,564	164	1,735	1,238	901	393	1,076	1,649	1,161	247
1968	8,951	140	1,798	1,022	1,063	447	1,173	1,740	1,302	266
1969	9,042	130	2,024	869	1,091	455	1,246	1,648	1,324	255
1970	9,223	136	2,129	783	1,180	475	1,296	1,503	1,447	274
1971	9,269	155	1,968	721	1,214	495	1,346	1,581	1,506	283
1972	9,382	170	1,775	606	1,274	547	1,449	1,671	1,574	316
Unadjusted										
1971 1st quarter	2,320	43	491	215	298	119	334	376	387	57
2nd quarter	2,252	35	475	157	324	122	323	397	349	70
3rd quarter	2,277	38	494	170	285	121	332	398	363	76
4th quarter	2,420	39	508	179	307	133	357	410	407	80
1972 1st quarter	2,378	41	454	176	313	125	352	420	425	72
2nd quarter	2,272	40	421	137	330	128	362	414	357	83
3rd quarter	2,273	43	432	145	297	132	350	405	387	82
4th quarter	2,459	46	468	148	334	162	385	432	405	79
1973 1st quarter	2,532	61	452	178	354	142	382	448	437	78
2nd quarter	2,303	67	423	133	295	143	357	460	351	74
3rd quarter	2,477	76	484	133	285	148	367	493	417	74
Seasonally adjusted										
1971 1st quarter	2,299	39	511	186	291	121	332	385	371	63
2nd quarter	2,332	38	498	180	321	126	325	397	377	70
3rd quarter	2,318	39	491	178	308	124	346	392	367	73
4th quarter	2,320	39	468	177	294	124	343	407	391	77
1972 1st quarter	2,366	37	466	149	319	127	353	431	404	80
2nd quarter	2,341	43	447	156	321	132	362	411	387	82
3rd quarter	2,321	44	430	155	323	136	363	399	393	78
4th quarter	2,354	46	432	146	311	152	371	430	390	76
1973 1st quarter	2,525	57	465	153	359	144	383	461	417	86
2nd quarter	2,374	70	447	153	288	147	360	456	381	72
3rd quarter	2,525	77	482	142	312	152	380	486	424	70

(1) Further details are given in the *Monthly Digest of Statistics*.
(2) Covers agriculture, forestry, fishing, construction and other service industries.

Value of physical increase in stocks and work in progress

TABLE 15

£ million

	At current prices					Revalued at 1970 prices									
							Unadjusted					Seasonally adjusted			
	Total	Manufacturing (1)	Distributive trades		Other industries	Total	Manufacturing	Distributive trades		Other industries	Total	Manufacturing (1)	Distributive trades		Other industries
			Retail	Wholesale				Retail	Wholesale				Retail	Wholesale	
Book value of stocks and work in progress at end-December 1972	19,103	10,793	1,913	2,017	4,380	16,315	9,260	1,642	1,715	3,698	16,315	9,260	1,642	1,715	3,698
1967 ..	322	73	22	10	217	338	72	26	17	223	338	72	26	17	223
1968 ..	439	234	52	78	75	471	269	60	85	57	471	269	60	85	57
1969 ..	416	303	12	36	65	419	320	13	42	44	419	320	13	42	44
1970 ..	257	175	—38	68	52	257	175	—38	68	52	257	175	—38	68	52
1971 ..	19	—240	24	54	181	— 7	—218	21	52	138	— 7	—218	21	52	138
1972 ..	—440	—554	24	34	56	—412	—498	22	28	36	—412	—498	22	28	36
1971 1st qtr.	8	— 5	—14	—19	46	15	— 1	—13	—16	45	114	10	—22	14	112
2nd qtr.	— 15	—103	12	25	51	— 36	— 93	11	22	24	—103	—113	7	26	—23
3rd qtr.	30	—106	— 2	60	78	15	—101	— 2	56	62	— 18	— 68	15	9	26
4th qtr.	— 4	— 26	28	—12	6	— 1	— 23	25	—10	7	—	— 47	21	3	23
1972 1st qtr.	—272	—178	— 2	—22	—70	—237	—165	— 2	—17	—53	—136	—156	— 9	15	14
2nd qtr.	— 30	—159	49	—16	96	— 41	—130	44	—14	59	—104	—145	40	—12	13
3rd qtr.	— 51	—178	—30	61	96	— 55	—159	—26	50	80	— 87	—125	— 8	4	42
4th qtr.	— 87	— 39	7	11	—66	— 79	— 44	6	9	—50	— 85	— 72	— 1	21	—33
1973 1st qtr.	179	182	68	—28	—43	150	162	58	—16	—54	253	168	52	18	15
2nd qtr.	72(2)	99	11	—64	26	293	103	170	—18	38	213	87	166	—16	—24
3rd qtr.	249	95	17	90	47	185	68	15	67	35	138	91	34	19	— 6

(1) Further details are given in the *Monthly Digest of Statistics*.
(2) The second quarter of 1973 includes a fall in the book value of stocks of £270 million reflecting tax rebated on the introduction of VAT.

A calendar of economic events

1973

	Tax changes: Income and capital	Tax changes: Expenditure(1)	National insurance, etc., contributions and benefits (2)	Prices and incomes policy	Bank minimum lending rate	Lending	Savings	Industrial disputes	Other events
1st qtr.				Jan. 17, Statutory freeze on prices, incomes, rents and dividends; Phase I extended by 60 days. March 31, Pay and dividend standstill under Phase I ended.	Jan. 19, 8¾% March 23, 8½%	Jan. 3 to 4, Most London clearing banks raise base rate to 8½%. Feb. 15, Further rise in base rate to 9½%.	Jan. 1, National Savings Bank interest raised to 4% (8% on investment accounts). Feb., Building societies interest rate on shares raised by 0·35% to 5·6%. March 7, National savings certificate (decimal issue) limit on individual holdings increased to £1,500.	Jan. 17 to March 23, Selective stoppages and overtime ban by gas workers. Feb. 28, One day stoppage by rail workers. March 1, Industrial action begun by hospital ancillary workers. March 8, One day stoppage by rail workers.	Jan. 1, UK, Denmark and Irish Republic became members of the EEC. Feb. 1, EEC Common Agriculture Policy applies to UK, Denmark and Irish Republic. Feb. 13, 10% devaluation of US dollar against SDRs. Yen and lira to float. March 19, Joint float of all EEC currencies except £ sterling and lira.
2nd qtr.	Budget (7), New unified system of of personal taxation introduced; rates of tax vary with income from 30% to 75%. Surcharge of 15% on investment income in excess of £2,000. Surtax abolished. Corporation tax—imputation scheme introduced.	Budget (7), VAT and car tax introduced at 10%. Food, children's clothing and footwear relieved from VAT. Other taxes reduced to compensate for VAT. Purchase tax and SET ended.		April 1, Phase II brought into effect. Pay Board and Price Commission set up to regulate pay and prices. Pay increases restricted to £1 per week *plus* 4% of average wage bill, with maximum of £250 a year. Rigid control on prices. Dividend increases restricted to 5%. April 28, Prices standstill under Phase I ended. May 1, Controls on prices under Phase II to be based on allowable costs and profit margins.	April 13, 8% April 19, 8¼% May 11, 8% May 18, 7¾% June 22, 7½%	April 3 to 5, London clearing banks reduce base rate to 9%. April 4, £18m. government 'bridging grant' to building societies to keep new mortgage interest rate increase to 1% making rate 9½%. May 22 to 23, London clearing banks reduce base rate to 8½%. June 15 to 26, Further reduction in base rate to 8%.	April, Building societies interest rate on shares raised by 0·7% to 6·3%. May, Building societies interest rate on shares raised by 0·45% to 6·75%. May 7, 8½% British savings bond issued.	April 2 to 6, Strike by London dockers. April 2 to June 25, Disputes in motor industry. April 17, Industrial action by hospital ancillary workers ended. May 1, One day strike by 1¼ million workers in protest against Phase II of counter-inflation policy.	April 13, Electricity Council to borrow £400m. on Euro-dollar markets. May 21, Changes in public expenditure announced to save £100m. in 1973/74 rising to £500m. in 1974/75 (1972 Survey prices).
3rd qtr.					July 20, 9% July 27, 11½%	July 19, Bank of England calls for special deposits from banks and finance houses (½% Aug. 6; ½% Aug. 15). Aug., Building societies raise new mortgage interest rate to 10%. Aug. 2, London clearing banks raise base rate to 10%. Aug. 22 to 23, Further rise in base rate to 11%. Sept. 11, Bank of England asks banks to restrict personal credit, to further restrict lending on property and financial transactions and to combat interest arbitrage activities.	July 1, New premium savings bond prize structure. Prize fund interest rate increased to 4⅞%. Sept. 11, Bank of England asks banks to limit interest paid on deposit of less than £10,000 to 9½%.	Sept. 5 to 21, Dispute in motor industry.	
4th qtr.	Dec. 17, 10% sur-		Oct. 1, Increases	Nov. 7, Under	Oct. 19,	Oct., Building socie-	Oct., Building socie-	Nov. 1, Industrial	Oct. 4 to Nov. 12, Arab-

							actions and to combat interest arbitrage activities.			
4th qtr.	Dec. 17, 10% surcharge on 1972/73 assessment of surtax; half payable on 1 July 1974 and half on 1 Jan. 1975. In 1974/75, capital gains tax to be charged on the 'development gain' in property values.		Oct. 1, Increases in national insurance benefits and contributions. Dec., Pensioners to receive £10 Christmas bonus.	Nov. 7, Under Phase III pay increases limited to £2·25 per week or 7% of average wage bill, with maximum increase of £350 a year, *plus* 1% flexibility margin. Threshold agreements to run for 12 months allowing extra 40p (maximum) per week if retail prices index rises by 7% over October 1973 level, *plus* further 40p per week for every further percentage point rise. Controls maintained on prices. Interest on part of special deposits to be withheld.	Oct. 19, 11½% Nov. 13, 13%	Oct., Building societies raise new mortgage interest rate to 11%. Nov. 13, Bank of England calls for special deposits from banks and finance houses (½% Nov. 28; ½% Dec. 12; ½% Dec. 27; ½% Jan. 2). Nov. 14, London clearing banks raise base rate to 13%. Dec. 17, Stricter terms for credit cards. Banks and finance houses asked not to offer better terms than those permitted for hire purchase. Hire purchase controls reintroduced; minimum deposit 33⅓%; maximum repayment period 2 years for most goods. Special deposits due on 2 Jan. cancelled. Further calls if bank deposits increase by more than 8% in first half of 1974.	Oct., Building societies interest rate on shares raised by 0·75% to 7·5%. Nov. 21, Trustee savings banks interest raised to 9% on investment accounts. Dec. 1, Introduction of SAYE-linked share savings scheme.	Nov. 1, Industrial action by electricity power engineers begins. Nov. 12, Coal miners start overtime ban. Dec. 12, Rail drivers start overtime ban. and work-to-rule.	Oct. 4 to Nov. 12, Arab-Israeli War. Oct. 9, £115m. cuts in public expenditure. Oct. 18, Arab oil production to be cut by 5% per month and prices increased by 70%. Nov. 13, State of Emergency declared. Nov. 14, Restrictions on use of electricity for certain purposes. Nov. 19, Government orders cut of 10% in oil deliveries. Nov. 28, Government approves plans to spend £891m. over 5 years on railways. British Gas Corporation borrowed £100m. from abroad. Dec. 13, Use of electricity restricted for most of industry and commerce. Dec. 17, Public expenditure to be cut by £1,200m. in 1974/75 (1973 Survey prices). Dec. 22, Crude oil prices doubled by producing States, effective from 1 Jan. 1974.

(1) (2) For further details see Appendix Tables 1 and 2.

(7) See footnotes on page xxxii.

FOOTNOTES

(1) (2) For further details see Appendix Tables 1 and 2.

(3) Effects of Budget, March 30, 1971: £ million

	1971/72	Full year
Inland Revenue	—256	..*
of which: Corporation tax	— 55	—105
Income tax	—184	—279
Capital gains tax	— ½	— 19½
Estate duty	— 14½	— 20
Stamp duty	— 2	— 3½
Selective employment tax (net yield)	—290	—245

* A total figure is not given because the 'full year' effects of the various tax changes do not fall simultaneously in any one year.

(4) Effects of measures, July 19, 1971: £ million

	1971/72	Full year
Customs and Excise *(Purchase tax)*	—110	—235
Inland Revenue (increased allowances on new capital expenditure)	—	— 40

(5) From 13 October 1972 Bank of England's minimum lending rate will normally be ½% above the average rate of discount for Treasury bills established at the most recent tender, rounded to the nearest ¼% above.

(6) Effects of Budget, March 21, 1972: £ million

	1972/73	Full year
Inland Revenue	—1,070	..*
of which: Corporation tax	— 17	— 230
Income tax and surtax	— 982	—1,231
Capital gains tax	—	— 15
Estate duty	— 71	— 143
Customs and Excise	— 141	— 175
of which: Purchase tax	— 135	— 175
Spirits	— 6	—

* A total figure is not given because the 'full year' effects of the various tax changes do not fall simultaneously in any one year.

(7) Effects of Budget, March 6, 1973(8): £ million

	1973/74	Full year
Inland Revenue	..	..(9)
of which: Corporation tax	..	—283(10)
Income tax	..	
Estate duty	—2	— 5
Stamp duty	+3	+ 5
Customs and Excise	— 47	+ 283
of which: VAT (net)	+1,150(11)	+2,200
Car tax	+ 120	+ 175
Purchase tax	—1,250	—1,600
Other duties(12)	— 491	— 492
Selective employment tax	— 112	— 224

(8) Includes the effects of changes announced in the 1972 Budget which did not come into effect until 1973/74.

(9) A total figure is not given because the 'full year' effects of the various tax changes do not fall simultaneously in any one year.

(10) No allowance has been made for the effects of introducing the imputation system of corporation tax.

(11) After deducting £315 million for relief for tax- and duty-paid stocks.

(12) This item reflects the reduction in duties on tobacco products, spirits, beer, wine, matches and mechanical lighters necessary to offset the application of VAT to these commodities.

APPENDIX

Taxes on expenditure

Main rates charged—1965 to 1973

TABLE 1

	1 January 1965	7 April 1965	20 July 1966 Regulator: percentage increase	12 April 1967 (Consolidation of Regulator)	20 March 1968	22 Nov. 1968 Regulator: percentage increase	16 April 1969 (Consolidation of Regulator)	19 July 1971	21 March 1972	6 March 1973
Purchase tax: percentage rates in use	10, 15, 25		+10	11, 16½, 27½	12½, 20, 33⅓, 50	+10	13¾, 22, 36¾, 55	11¼, 18, 30, 45	11¼, 18, 25	—
	£	£		£	£		£			£
Spirits: duty per proof gallon	12·87½	14·60	+10	16·06½	17·14	+10	18·85			15·45
Beer: duty per barrel	7·35	8·55	+10	9·43½		+10	10·37½			6·90
additional duty per extra degree	0·36½		+10	0·40		+10	0·44			0·29
Wine: Light: duty per gallon	0·77½	0·92½	+10	1·01½	1·16½	+10	1·61½			0·87½
Heavy: duty per gallon	1·52½	1·82½	+10	1·96½	2·26½	+10	2·71½			1·97½
Tobacco: duty per lb.	3·87	4·37			4·58½	+10	5·041			4·305
Hydrocarbon oils (basic duty): duty per gallon	0·16½		+10	0·18	0·19½	+10	0·22½			
Motor vehicle duties: private vehicles	15·00	17·50			25·00					
Betting: general (percentage on stakes)			2½(1)		5(2)		(3)			
football pools (percentage on stakes)	25				33⅓(2)					
Value added tax: percentage										Zero rate and 10
Car tax: percentage										10

(1) From 24 October 1966. (2) From 25 March 1968. (3) Increased to 6% from 27 April 1970 (except 'on course').

	5 Sept. 1966		2 Sept. 1968		7 July 1969	5 July 1971		6 March 1973
	£		£		£	£		£
Selective employment tax: rates for adult male (full-time	1·25		1·87½		2·40	1·20		—

Note: More detailed information is available in the *Financial Statement* published at the time of the Budget in which the changes were made, except when the changes were due to the application of the Regulator.

National insurance, etc. contributions and benefits

Changes in rates of contributions and principal benefits—1971 to 1973

TABLE 2

Weekly rates (£)

	Rate at 1 Jan. 1971	Increase in rate: 5 July 1971	20 Sept. 1971	2 Oct. 1972	2 April 1973	1 Oct 1973	Rate at 31 Dec. 1973
Contributions—Men							
Employed persons, ordinary(1)							
Employee	0·88	—	—	—	—	—0·04	0·84
Employer	3·35	—1·20	—(2)	0·10(3)	—1·20	0·14(4)	1·19
Total	4·23	—1·20	—	0·10	—1·20	0·10	2·03
of which:							
National health service	*0·241*	—	—	—	—	—	*0·241*
Redundancy Fund	*0·063.*	—	—	—	—	—	*0·063*
Selective employment tax	*2·40*	*—1·20*	—	—	*—1·20*	—	—
Self-employed	1·24	—	0·26	0·18	—	0·25	1·93
Non-employed	0·99	—	0·21	0·13	—	0·19	1·52

	Rate at 1 Jan. 1971	Increase in rate: Sept. 1971	Dec. 1971	Oct. 1972	Oct. 1973	Rate at 31 Dec. 1973
Benefits						
Unemployment and sickness(5):						
Men, single women and widows(6)	5·00	1·00	—	0·75	0·60	7·35
Married women	3·50	0·70	—	0·55	0·40	5·15
Boys and girls under 18 years old	2·75	0·55	—	0·40	0·35	4·05
Retirement pension, married couple	8·10	1·60	—	1·20	1·60	12·50
Industrial injuries:						
Injury benefit	7·75	1·00	—	0·75	0·60	10·10
100% disability pension	8·40	1·60	—	1·20	1·60	12·80
Widow's allowance for child (inclusive of family allowance)	2·45	0·50	—	0·35	0·50	3·80
Dependents, additional benefits:						
One adult	3·10	0·60	—	0·45	0·40	4·55
One child (inclusive of family allowance)	1·55	0·30	—	0·25	0·20	2·30
Family allowances: 2nd child	0·90	—	—	—	—	0·90
3rd and subsequent child	1·00	—	—	—	—	1·00
Attendance allowances	—	—	4·80	0·60	0·80	6·20

(1) Flat rate contributions payable in the case of persons not contracted out of the graduated pensions scheme.
(2) For employed persons, graduated contributions increased for that part of weekly remuneration that exceeds £18 per week, from 3·25% to 4·35%; limit for maximum rate raised from £30 to £42 per week.
(3) For employed persons, graduated contributions increased for that part of weekly remuneration that exceeds £18 per week from 4·35% to 4·75%; limit for maximum rate raised from £42 to £48 per week.
(4) For employed persons, graduated contributions increased for that part of weekly remuneration that exceeds £9 per week from 4·75% to 5%; limit for maximum rate raised from £48 to £54 per week.
(5) Excluding earnings-related supplement. The maximum weekly supplement is £7 (earnings of £30 a week or more).
(6) The rates shown in this line are also paid for single person retirement pension, widow's pension, and maternity allowance.

National Insurance Fund—effect of changes

As estimated by the Government Actuary

TABLE 2 (*continued*)

£ million

	Financial year	Extra contribution income	Extra outgoings
National Insurance (No. 2) Act, 1969 (Cmnd. 4074) (1)	1971/72	361	243
National Insurance (Old Persons' and Widows' Pensions and Attendance Allowance) Act, 1970 (Financial Memorandum)	1971/72	—	13(2)
Social Security Act, 1971 (Financial Memorandum)	1971/72	—	— 12(3)
	1972/73	—	— 19(3)
National Insurance Act, 1971 (Cmnd. 4651) (4)	1971/72	181	287
	1972/73	481	539
	1973/74	549	559

	Financial year	Extra contribution income	Extra outgoings
National Insurance Act, 1972 (Cmnd. 4959) (5)	1972/73	116	188
	1973/74	332	380
National Insurance and Supplementary Benefits Act, 1973 (Cmnd. 5287) (6)	1973/74	108	237
	1974/75	311	481
Pensioners Payments and National Insurance Act, 1973 (Cmnd. 5449) (7)	1973/74	14	77
	1974/75	90	—

(1) Projections assume earnings rise by 3% per annum.
(2) Extra outgoings for age-related widows' pensions only; old persons' pensions and attendance allowances will be paid out of money provided by Parliament.
(3) Savings on sickness and unemployment benefits now that benefit is never paid for the first three days.
(4) Projections assume earnings rise by 8% per annum.
(5) Projections assume earnings rise by 9% per annum.
(6) Projections assume earnings rise by 7½% per annum.
(7) Projections assume earnings rise by 10% per annum.

CHARTS AND TABLES

The purpose of the charts and tables is to provide the broad background to the trends of the economy rather than to give detailed information about particular series (for which the *Monthly Digest of Statistics* and other publications may be consulted). Economically related series are grouped together and consequently the same series may appear on more than one page.

Most series are seasonally adjusted, that is, normal seasonal changes have as far as possible been removed from the figures; by this means movements in different periods may more readily be compared, but it must be borne in mind that the seasonal adjustments are subject to some uncertainties. For series which still show considerable short-term fluctuations after seasonal adjustment a trend line has been fitted by the use of weighted moving averages.

For convenience of comparison, index numbers in some charts and tables are referred to a common date as base which differs from the original base dates to which their weighting applies.

In order that recent movements may be seen in perspective most of the charts cover a long run of years, but some of the series (for example, measures of volume or of price changes) may provide only a broad guide to changes over long periods.

Logarithmic scales are used in charts where the main purpose is to compare the slopes of series which are very different in magnitude.

Except where otherwise stated, monthly and quarterly figures relate to totals for the period and are not converted to annual rates. The statistics relate mainly to the United Kingdom of Great Britain and Northern Ireland; where figures are for Great Britain only, this is indicated on the table.

In tables where figures have been rounded to the nearest final digit, there may be an apparent slight discrepancy between the sum of the constituent items and the total as shown. The following symbols are used in the tables:

..	not available
—	nil or less than half the final digit shown
§	series for which measures of variability are given on page 42

LIST OF CHARTS AND TABLES

	page
Main economic series	2-5
Latest developments	6-7
Gross domestic product and the components of final expenditure	8
Personal income and expenditure	
Personal disposable income, spending and borrowing	9
Consumers' expenditure	10
Retail sales, new registrations of cars	11
Fixed investment	
By sectors and selected industries	12
Manufacturing industry:	
Investment cycles, DTI Intentions Inquiry	13
CBI Intentions Inquiry, contractors' orders	14
Dwellings: forward-looking indicators	15
Stocks	
Stock changes	16
Relationship of stocks and output (stock/output ratios)	17
Production	
Index of industrial production:	
All industries, selected industries	18
Production cycles	19
Changes in stocks, manufacturing production and imports of industrial materials	20
Steel	21
Motor vehicles	22
Construction industry	23
Fuel and power consumption	24
Orders	25
Employment	
Unemployment, unfilled vacancies, hours worked	26
Cycles of unemployment	27
Output and prices	
Incomes and output	28
Wage rates, earnings, wages and salaries per unit of output, retail prices	29
Manufacturing industry: output, costs and prices	30
External trade	
Exports and imports: terms of trade	31
Exports: by destination	32
Exports: by commodity classes	33
Imports: by commodity classes	34
Exports of manufactures in world markets	35
Balance of payments	36-37
Home finance	
Money stock	38-39
London clearing banks	40
Interest rates, security prices and yields	41
Measures of variability of some major series	42
Index of sources	43-45

(*) Projections assume earnings rise by 10% per annum.
(*) Savings on sickness and unemployment benefits now that benefit is never paid for the first three days.

Main economic series

All series are seasonally adjusted unless otherwise stated

	Gross domestic product at factor cost at 1970 prices (1) §				Index of industrial production §		Employed labour force (2)	Output per person employed at 1970 prices			Wages and salaries per unit of output	Unemployed excluding school-leavers and adult students (UK)	
	Expenditure based	Income based (3)	Output based	Average estimate	All industries	Manufacturing industries		Gross domestic product (Output)	All production industries	Manufacturing industries	Whole economy	Monthly average Thousands	Percentage rate(4)
	1970 = 100												
1962 1st quarter	..	..	78·5	..	76·6	74·3	..	..	..	..	..	387·7	1·7
2nd quarter	..	..	79·5	..	77·8	75·5	..	..	..	..	..	436·7	1·9
3rd quarter	..	..	80·1	..	78·4	76·1	..	..	..	..	..	482·8	2·1
4th quarter	..	..	79·6	..	77·1	75·1	..	..	..	..	..	520·9	2·2
1963 1st quarter	79·4	79·1	78·7	79·1	75·3	74·0	..	..	73·6	73·9	75·3	585·4	2·5
2nd quarter	83·4	82·7	81·8	82·6	79·0	76·8	..	..	76·6	76·8	73·5	557·5	2·4
3rd quarter	83·4	83·9	83·2	83·5	81·3	79·4	..	..	78·6	79·4	73·7	526·4	2·2
4th quarter	85·3	85·0	84·4	84·9	83·1	81·3	..	..	80·1	81·1	74·2	480·5	2·0
1964 1st quarter	85·8	85·5	85·5	85·6	85·6	84·1	100·9	84·7	82·0	83·4	75·3	418·8	1·8
2nd quarter	88·2	87·0	86·8	87·4	85·6	84·1	100·1	85·8	81·8	83·0	75·4	404·0	1·7
3rd quarter	87·6	88·3	87·2	87·7	86·2	84·9	101·5	85·9	82·1	83·5	76·0	389·9	1·6
4th quarter	89·0	87·9	88·5	88·5	88·5	87·3	101·9	86·9	83·8	85·4	77·9	353·8	1·5
1965 1st quarter	89·3	89·0	89·0	89·1	89·0	87·1	102·2	87·3	84·0	85·0	77·9	332·1	1·4
2nd quarter	89·2	89·6	89·1	89·3	88·7	87·4	102·2	87·2	83·7	85·2	78·8	338·1	1·4
3rd quarter	90·2	90·5	89·5	90·0	88·7	87·2	102·2	87·6	83·6	84·7	79·6	352·8	1·5
4th quarter	91·0	91·4	90·5	90·9	90·1	88·6	102·7	88·1	84·8	86·0	80·5	328·0	1·4
1966 1st quarter	90·8	90·7	91·0	90·8	90·9	90·0	102·9	88·4	85·5	87·3	82·9	302·1	1·3
2nd quarter	91·2	90·1	91·3	90·9	91·0	89·6	102·9	88·8	85·7	87·0	84·6	314·5	1·3
3rd quarter	92·0	92·7	91·5	92·1	91·2	90·1	102·7	89·1	86·1	87·5	82·7	352·2	1·5
4th quarter	92·7	92·2	90·8	91·9	89·3	87·2	101·9	89·1	85·1	85·6	83·0	444·1	1·8
1967 1st quarter	93·6	91·3	91·1	92·0	90·5	88·6	101·3	89·9	87·0	87·8	83·4	515·7	2·2
2nd quarter	94·3	94·2	92·1	93·5	91·4	89·5	101·3	90·9	88·5	89·3	83·8	544·7	2·3
3rd quarter	94·1	93·2	92·5	93·3	91·5	89·7	101·3	91·3	89·2	90·2	85·9	559·8	2·4
4th quarter	93·0	93·7	94·0	93·6	93·4	91·4	101·0	93·1	91·6	92·3	86·2	569·3	2·4
1968 1st quarter	96·4	95·3	96·5	96·0	96·5	94·8	100·8	95·8	94·9	96·0	86·8	573·7	2·4
2nd quarter	96·1	95·9	96·1	96·0	97·2	95·7	100·6	95·5	95·9	96·9	86·6	580·9	2·5
3rd quarter	98·1	98·4	96·4	97·6	97·5	96·3	100·6	95·8	96·2	97·1	85·9	576·6	2·4
4th quarter	98·7	99·1	97·0	98·3	98·1	96·9	100·7	96·3	96·5	97·4	86·6	567·6	2·4
1969 1st quarter	98·2	98·2	97·6	98·0	99·2	98·5	100·7	96·9	97·4	98·5	89·4	562·3	2·4
2nd quarter	97·9	98·2	98·6	98·2	100·5	100·2	100·7	97·9	98·8	99·8	90·2	557·2	2·4
3rd quarter	98·4	98·8	98·6	98·6	99·9	99·6	100·6	98·0	98·4	99·2	90·9	566·7	2·4
4th quarter	99·7	99·5	98·8	99·4	99·9	99·9	100·4	98·4	98·6	99·3	93·3	580·2	2·5
1970 1st quarter	98·3	97·5	99·4	98·4	99·7	99·8	100·4	99·0	98·9	99·3	96·8	586·9	2·5
2nd quarter	100·1	100·6	99·7	100·1	99·5	99·2	100·0	99·7	99·2	98·9	98·9	597·8	2·5
3rd quarter	100·4	101·5	100·3	100·7	100·2	100·1	99·8	100·5	100·4	100·2	100·6	606·8	2·6
4th quarter	101·2	100·4	100·6	100·8	100·4	100·9	99·7	100·9	101·2	101·5	103·5	617·5	2·6
1971 1st quarter	99·9	99·3	100·0	99·7	100·2	100·0	98·5	101·5	101·6	101·1	106·8	666·7	2·9
2nd quarter	101·3	100·2	101·3	100·9	100·9	100·3	98·4	103·0	103·8	103·2	109·1	748·6	3·3
3rd quarter	103·9	101·5	101·8	102·4	100·6	99·4	97·6	104·3	104·5	104·5	110·8	814·0	3·6
4th quarter	103·1	101·3	102·3	102·3	100·4	99·0	97·6	104·9	105·5	104·4	112·7	874·9	3·8
1972 1st quarter	102·0	99·5	101·4	101·0	98·0	98·4	98·2	103·3	103·7	104·8	117·2	906·1	4·0
2nd quarter	103·3	103·2	104·3	103·6	102·7	101·3	98·4	106·0	108·9	108·3	117·2	876·9	3·8
3rd quarter	103·0	102·7	104·3	103·4	102·4	101·6	98·7	105·7	108·6	108·7	121·1	847·7	3·7
4th quarter	105·0	104·9	106·2	105·4	105·7	105·3	99·2	107·1	112·0	112·7	123·6	789·4	3·4
1973 1st quarter	110·9	107·1	109·3	109·1	110·4	110·5	100·0	109·3	116·5	117·9	124·9	697·7	3·0
2nd quarter	109·1	108·5	108·9	108·8	110·4	110·3			116·1	117·3	127·2	633·5	2·8
3rd quarter	111·1	108·0	109·9	109·7	111·4	112·0			117·0	118·8	132·5	592·7	2·6
4th quarter												520·5	2·3

(1) These estimates are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
(2) The earlier figures in this series have been adjusted to be consistent with Census of Employment data on which the later figures are based.
(3) Income data deflated by the price index implied by estimates based on expenditure data.
(4) The base used in calculating the percentage rate of unemployment is the estimate of total employees (employed and unemployed). Figures of employees in employment are now obtained from the Census of Employment, described on pages 5 to 7 of the January 1973 issue of the *Department of Employment Gazette*.

Main economic series *(continued)*

All series are seasonally adjusted unless otherwise stated

	Unfilled vacancies (GB) Adults only §	Basic hourly wage rates	Average earnings of all employees (GB) §	General index of retail prices: All items	General index of retail prices: All items except items of food whose prices show significant seasonal variations	Wholesale prices index: Basic materials and fuel purchased by manufacturing industry	Wholesale prices index: Output All manufactured products Home sales	Unit value index numbers (1): Exports	Unit value index numbers (1): Imports	Unit value index numbers (1): Terms of trade	Personal disposable income revalued at 1970 prices(2)§	Consumers' expenditure at 1970 prices §	Personal savings ratio (3)
	n.s.a.	n.s.a.		n.s.a.	n.s.a.	(4)n.s.a.	n.s.a.	n.s.a.	n.s.a.	n.s.a.			
	Monthly average Thousands	Jan. 1956 =100	Jan. 1970 =100	Jan. 1962=100		1970=100					£ million		Percentage
1962 1st quarter	187·3	133·6	..	100·2	100·2	76·9	76·9	75·9	76·9	98·7	..	..	..
2nd quarter	165·2	135·6	..	102·3	101·2	76·3	77·0	74·4	76·8	96·9	..	..	..
3rd quarter	141·3	137·3	..	101·9	101·9	75·3	77·3	75·1	77·5	96·9	..	..	..
4th quarter	128·6	138·3	..	101·8	102·5	76·0	77·6	75·0	77·9	96·3	..	..	..
1963 1st quarter	127·5	139·4	62·1	103·3	102·8	77·2	77·7	75·9	78·6	96·6	7,179	6,631	7·6
2nd quarter	136·8	140·9	64·0	103·9	103·0	77·4	77·9	76·3	79·1	96·5	7,350	6,873	6·5
3rd quarter	142·7	141·5	65·1	103·2	103·5	76·9	77·9	77·2	78·9	97·8	7,523	6,950	7·6
4th quarter	170·6	143·3	65·9	104·0	104·6	80·3	78·5	77·5	80·1	96·8	7,577	6,962	8·1
1964 1st quarter	199·9	146·1	67·4	104·9	105·4	80·6	79·1	77·3	80·7	95·8	7,608	7,015	7·8
2nd quarter	212·4	147·8	68·5	106·8	107·0	80·3	80·2	77·7	80·7	96·3	7,633	7,035	7·8
3rd quarter	228·4	149·5	69·9	107·7	108·3	81·1	80·7	78·5	80·7	97·3	7,741	7,081	8·5
4th quarter	243·7	151·0	70·9	108·6	109·3	82·5	81·2	78·6	81·3	96·7	7,757	7,143	7·9
1965 1st quarter	249·6	153·8	72·2	109·6	110·3	82·5	82·1	79·3	81·4	97·4	7,804	7,151	8·4
2nd quarter	270·4	156·1	73·3	112·4	112·6	82·2	83·4	79·5	81·4	97·7	7,780	7,115	8·5
3rd quarter	270·9	159·9	74·5	112·9	113·3	81·6	83·8	80·1	81·2	98·6	7,873	7,208	8·4
4th quarter	269·4	161·9	76·3	113·6	114·0	82·4	84·0	80·7	81·6	98·9	7,998	7,234	9·5
1966 1st quarter	275·8	166·0	77·6	114·4	114·8	83·9	84·8	81·8	82·0	99·8	8,303	7,338	11·6
2nd quarter	278·5	168·1	79·2	116·6	116·3	85·4	85·4	83·0	82·8	100·2	7,946	7,375	7·2
3rd quarter	259·4	169·8	79·6	117·0	117·4	84·0	86·1	83·6	82·2	101·7	7,907	7,288	7·8
4th quarter	205·3	169·9	79·6	117·9	118·1	83·4	85·9	83·6	82·3	101·6	7,976	7,257	9·0
1967 1st quarter	183·4	171·4	79·8	118·6	118·7	82·8	86·1	83·8	82·1	102·1	7,925	7,312	7·7
2nd quarter	166·5	172·9	80·7	119·6	119·2	82·3	86·1	83·9	81·4	103·1	8,152	7,403	9·2
3rd quarter	166·3	177·3	82·6	119·0	119·2	82·6	86·6	84·4	83·2	101·4	8,297	7,510	9·5
4th quarter	179·3	179·7	84·2	120·4	120·7	87·6	87·1	85·4	86·6	98·6	8,189	7,616	7·0
1968 1st quarter	180·5	184·8	85·9	122·1	122·2	92·3	88·7	88·9	92·0	96·6	8,404	7,807	7·1
2nd quarter	181·2	185·8	87·1	125·0	125·0	90·7	89·8	90·8	92·7	98·0	8,192	7,493	8·5
3rd quarter	187·6	187·7	89·0	125·7	126·1	91·0	90·3	92·3	94·1	98·1	8,251	7,605	7·8
4th quarter	202·0	191·0	91·0	127·2	127·6	91·8	91·0	92·8	94·6	98·1	8,286	7,651	7·7
1969 1st quarter	200·6	194·7	92·2	129·7	129·7	93·1	92·2	93·9	94·5	99·4	8,329	7,592	8·9
2nd quarter	200·8	195·6	94·1	131·8	131·0	94·3	92·6	93·9	95·5	98·3	8,214	7,665	6·7
3rd quarter	199·2	197·8	95·9	132·0	132·0	95·2	93·7	94·2	96·5	97·6	8,302	7,640	8·0
4th quarter	197·2	201·6	98·5	133·7	133·9	97·5	94·7	95·1	98·1	96·9	8,406	7,741	7·9
1970 1st quarter	194·2	209·0	101·6	136·2	136·0	99·2	96·7	98·9	99·6	99·3	8,328	7,715	7·3
2nd quarter	189·1	214·0	105·0	139·5	138·7	99·7	98·9	100·0	100·8	99·2	8,621	7,836	9·1
3rd quarter	185·1	219·5	108·3	141·1	141·3	99·8	100·9	102·0	100·8	101·2	8,717	7,923	9·1
4th quarter	174·3	228·3	111·9	144·0	144·6	101·4	103·4	102·3	100·6	101·7	8,701	7,930	8·9
1971 1st quarter	150·1	237·5	114·6	147·9	148·0	103·0	106·3	104·1	102·8	101·3	8,676	7,865	9·4
2nd quarter	129·6	242·4	117·2	153·2	152·8	104·9	108·7	105·3	106·0	99·3	8,694	8,008	7·9
3rd quarter	119·6	248·6	120·4	155·3	155·5	105·6	110·3	107·4	106·5	100·8	8,809	8,121	7·8
4th quarter	116·4	257·0	122·6	157·3	157·5	104·8	110·8	109·1	105·6	103·3	8,952	8,217	8·2
1972 1st quarter	123·8	265·9	126·3(5)	159·7	159·7	105·6	112·1	110·3	106·6	103·5	8,983	8,329	7·3
2nd quarter	135·1	272·0	130·6	162·7	162·5	106·1	113·5	110·8	107·4	103·2	9,454	8,462	10·5
3rd quarter	146·1	103·4(6)	135·1	165·4	165·1	109·4	115·6	114·1(7)	110·8(7)	103·0(7)	9,314	8,585	7·8
4th quarter	175·9	108·1	142·0	169·4	169·2	115·6	118·0	115·1	115·8	99·4	9,591	8,739	8·9
1973 1st quarter	228·9	108·9	143·8	172·4	171·4	126·0	119·5	118·7	122·2	97·1	9,683	8,977	7·3
2nd quarter	292·5	113·8	149·3	177·9	175·6	133·4	120·1(8)	122·9	132·2	93·0	9,863	8,824	10·5
3rd quarter	332·9	118·6	154·8	180·6	179·1	150·5	124·2	127·3	145·3	87·6	9,896	8,898	10·1
4th quarter	361·3	120·9		186·8	184·8	166·6	129·1						

(1) *Overseas Trade Statistics* basis. (2) Before providing for depreciation, stock appreciation and additions to tax reserves. (3) Personal saving, including additions to reserves, as a percentage of personal disposable income. (4) Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971. (5) As industrial activity was severely disrupted by restricted electricity supplies, no enquiry was held in February. The index is therefore given as an average of the January and March figures.
(6) The current series is based on 31 July 1972=100; the hourly wage rates index based on January 1956=100 was 277·3 at that date.
(7) Affected by the dock strike. (8) See footnote (2) on page 30. n.s.a. = not seasonally adjusted.

Main economic series *(continued)*

All series are seasonally adjusted unless otherwise stated

	Volume of retail sales (GB) (1)	New registrations of cars (GB)	Changes in hire purchase and other instalment debt(2)	Gross domestic fixed capital formation						Investment in stocks(3) §		Engineering (4) industries	Construction industry
				Total §	Private sector	Public sector	Manufacturing industry §	Private dwellings	Public dwellings	Total	Manufacturing	Net new orders Home market	Orders received
	1971=100	Thousands	£ million	£ million at 1970 prices								1963=100	1970=100
1962 1st quarter	83·5	179·6	— 32	1,565	887	678	413	173	106	— 37	— 58	..	..
2nd quarter	84·1	195·8	— 13	1,610	913	697	403	173	113	17	15	..	..
3rd quarter	84·6	194·1	+ 5	1,608	907	701	385	170	131	55	9	..	..
4th quarter	84·6	215·3	+ 5	1,561	865	696	374	162	116	— 24	— 6	..	..
1963 1st quarter	84·7	211·0	+ 2	1,416	829	587	338	125	81	— 18	17	104	97
2nd quarter	86·4	254·0	+ 19	1,622	895	727	354	176	125	81	— 17	106	95
3rd quarter	88·0	260·7	+ 28	1,674	902	772	346	185	133	— 7	6	112	107
4th quarter	88·2	282·9	+ 34	1,739	956	783	353	193	140	141	97	113	94
1964 1st quarter	88·7	283·6	+ 41	1,804	998	806	369	195	153	176	133	117	104
2nd quarter	88·9	288·0	+ 40	1,855	1,028	827	392	202	163	270	196	126	112
3rd quarter	89·4	309·5	+ 45	1,911	1,060	851	395	205	157	207	130	123	115
4th quarter	90·4	309·6	+ 42	1,934	1,078	856	413	211	157	283	194	127	126
1965 1st quarter	91·0	307·4	+ 35	1,959	1,101	858	442	216	161	172	132	119	115
2nd quarter	91·1	264·2	+ 40	1,921	1,066	855	416	202	159	139	135	111	107
3rd quarter	91·8	272·0	+ 25	1,921	1,064	857	434	199	162	167	119	115	108
4th quarter	92·5	278·9	+ 13	2,006	1,100	906	440	200	181	124	74	120	99
1966 1st quarter	93·3	296·4	+ 3	1,974	1,096	878	450	194	178	123	103	122	102
2nd quarter	93·5	315·7	— 11	1,964	1,039	925	436	195	173	136	52	113	102
3rd quarter	92·5	247·5	— 54	2,018	1,072	946	449	189	193	167	149	117	106
4th quarter	91·9	205·8	— 73	2,027	1,054	973	445	187	206	— 12	11	115	99
1967 1st quarter	93·3	240·8	— 48	2,091	1,065	1,026	439	191	211	107	46	107	128
2nd quarter	93·4	268·0	— 39	2,184	1,127	1,057	452	199	214	127	24	120	116
3rd quarter	95·2	290·5	+ 16	2,163	1,103	1,060	425	210	212	38	11	117	112
4th quarter	96·4	317·3	+ 31	2,126	1,053	1,073	419	201	211	66	— 9	109	115
1968 1st quarter	98·7	324·2	+ 34	2,246	1,137	1,109	440	212	235	— 46	— 59	120	110
2nd quarter	95·8	245·2	— 8	2,217	1,150	1,067	434	214	220	170	91	122	106
3rd quarter	96·8	263·9	+ 12	2,225	1,204	1,021	453	206	221	195	153	126	106
4th quarter	97·3	283·6	+ 8	2,263	1,236	1,027	471	214	218	152	84	123	112
1969 1st quarter	96·9	233·7	— 16	2,279	1,263	1,016	481	203	227	157	140	133	102
2nd quarter	97·8	264·3	+ 1	2,235	1,257	978	504	197	210	107	83	134	99
3rd quarter	97·2	260·1	— 3	2,280	1,281	999	520	188	233	70	24	130	103
4th quarter	96·9	229·3	— 2	2,248	1,242	1,006	519	170	220	85	73	133	105
1970 1st quarter	98·6	258·6	+ 10	2,236	1,246	990	515	168	198	— 21	22	130	103
2nd quarter	99·0	285·8	+ 24	2,317	1,290	1,027	534	170	199	125	76	131	105
3rd quarter	99·5	277·6	+ 20	2,318	1,315	1,003	538	179	203	106	26	135	101
4th quarter	99·1	275·2	+ 30	2,352	1,273	1,079	542	185	201	47	51	130	91
1971 1st quarter	97·8	282·4	+ 13	2,299	1,214	1,085	511	192	193	114	10	122	105
2nd quarter	99·7	289·8	+ 37	2,332	1,326	1,006	498	202	195	—103	—113	125	111
3rd quarter	100·5	347·6	+107	2,318	1,331	987	491	210	182	— 18	— 68	140	108
4th quarter	102·1	381·7	+ 83	2,320	1,307	1,013	468	227	180	—	— 47	139	105
1972 1st quarter	102·1	371·9	+ 87	2,366	1,343	1,023	466	242	189	—136	—156	160	116
2nd quarter	104·6	439·8	+108	2,341	1,370	971	447	238	173	—104	—145	149	121
3rd quarter	107·2	418·5	+123	2,321	1,341	980	430	240	159	— 87	—125	170	104
4th quarter	109·5	432·7	+106	2,354	1,387	967	432	263	167	— 85	— 72	164	108
1973 1st quarter	112·0	449·4	+177	2,525	1,508	1,017	465	280	181	253	168	186	123
2nd quarter	108·2	401·9	+ 78	2,374	1,443	931	447	289	167	213	87	184	111
3rd quarter	110·7	423·8	+108	2,525	1,492	1,033	482	290	196	138	91	199	109(5)
4th quarter													

(1) This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown. See also footnote (1) on page 11.
(2) Credit extended by finance houses and retailers, i.e. durable goods shops and department stores *plus* (from 1965) other general stores, general mail order houses and the non-durable goods departments of co-operative societies.
(3) Value of physical increase in stocks and work in progress.
(4) Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX). See also page 25.
(5) Provisional.

Main economic series *(continued)*

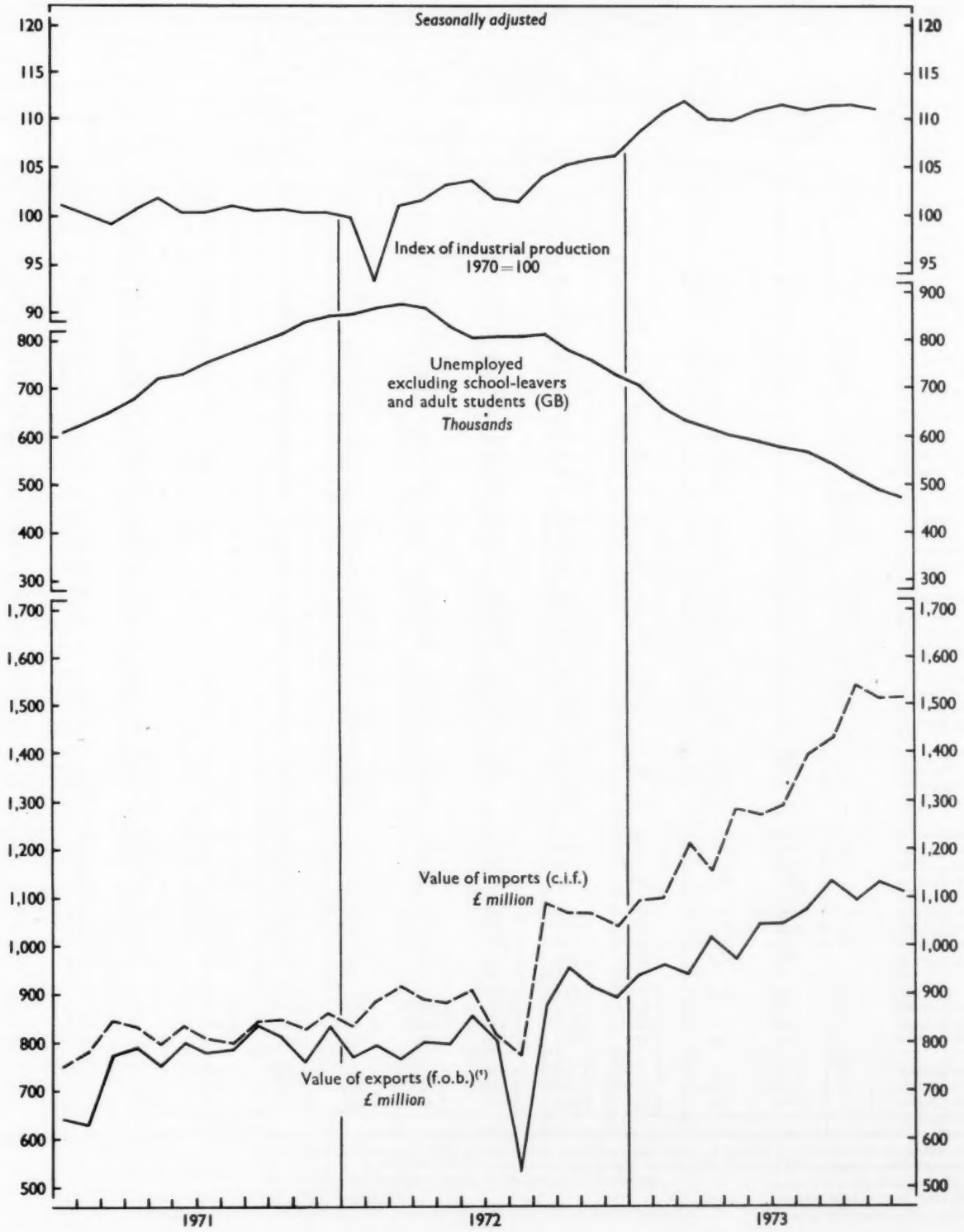
All series are seasonally adjusted unless otherwise stated

	Stock ratios		Change in money stock(1)		Domestic credit expansion	United Kingdom banking sector			Balance of payments		External trade (2)	
	Total stocks to gross domestic product (Expenditure)	Manufacturing stocks to output	M_1	M_3		Change in deposits of domestic sectors	Lending to		Current balance	Total currency flow n.s.a.	Volume of exports	Volume of imports
							Public sector	Private sector (3)				
	End-1969=100		£ million								1970=100	
1962 1st quarter	..	..	..	..	..	..	..	..	+ 29	+137	..	..
2nd quarter	..	..	..	..	..	..	..	..	+ 48	+ 84	..	..
3rd quarter	..	..	..	..	..	..	..	..	+ 12	— 36	..	..
4th quarter	..	..	..	..	..	..	..	..	+ 33	+ 7	..	..
1963 1st quarter	100	105	..	50	145	..	..	..	+ 54	— 86	67·3	65·8
2nd quarter	96	101	180	246	350	232	167	196	+ 35	+ 50	69·5	68·0
3rd quarter	95	98	131	177	217	153	138	187	+ 26	+ 6	70·5	70·9
4th quarter	94	97	179	237	336	220	56	146	+ 9	— 28	71·7	72·6
1964 1st quarter	95	95	47	110	362	59	— 58	164	— 82	+ 1	71·6	76·2
2nd quarter	94	97	77	173	363	152	44	220	— 64	+ 12	72·6	76·3
3rd quarter	96	98	71	214	377	186	98	276	—112	—126	70·3	77·6
4th quarter	97	98	39	156	461	113	—398	352	—124	—582	72·5	78·7
1965 1st quarter	98	99	14	122	331	82	—148	186	—	—166	72·8	74·0
2nd quarter	99	101	108	315	318	272	175	122	— 43	—166	74·7	78·0
3rd quarter	99	102	12	183	140	158	167	25	— 14	—196	76·8	79·1
4th quarter	99	102	141	341	379	280	260	109	+ 8	+175	78·0	79·3
1966 1st quarter	100	101	158	285	361	256	122	111	— 43	+ 48	77·7	81·1
2nd quarter	100	102	— 37	62	261	15	— 54	— 26	— 29	—163	74·5	77·7
3rd quarter	100	103	— 25	156	159	141	38	26	— 11	—488	78·8	81·3
4th quarter	100	107	—199	— 36	— 69	— 14	111	— 89	+167	+ 56	82·3	76·3
1967 1st quarter	99	106	260	290	244	246	395	42	+ 19	+509	84·1	84·2
2nd quarter	99	105	130	312	278	284	271	— 60	— 71	— 12	80·5	84·7
3rd quarter	100	105	167	421	684	400	24	317	— 31	—506	78·1	83·9
4th quarter	101	103	102	321	594	291	—118	211	—233	—662	69·2	87·3
1968 1st quarter	98	98	23	207	650	147	—227	107	— 92	—519	87·7	94·0
2nd quarter	99	98	162	435	748	410	75	227	—102	—521	84·2	92·1
3rd quarter	98	100	157	228	203	221	374	49	— 37	— 24	89·9	95·3
4th quarter	99	100	76	272	395	219	—186	145	— 53	—346	90·4	94·3
1969 1st quarter	100	100	— 92	254	128	240	— 66	217	+ 17	+272	91·0	94·0
2nd quarter	101	99	—162	—187	—293	—195	—204	— 80	+ 95	+ 82	96·0	96·6
3rd quarter	101	100	— 4	166	25	162	—307	236	+163	— 47	102·0	96·1
4th quarter	100	100	257	270	— 6	155	209	57	+170	+436	101·3	94·9
1970 1st quarter	101	100	68	127	—259	71	94	286	+255	+915	100·2	95·9
2nd quarter	100	102	313	573	472	535	172	366	+136	+227	99·5	101·3
3rd quarter	101	101	97	410	527	323	163	188	+ 84	—202	94·8	97·9
4th quarter	100	101	319	456	283	399	567	— 31	+217	+347	105·5	104·9
1971 1st quarter	102	102	424	566	80	463	234	230	+145	+973	99·8	103·8
2nd quarter	100	100	104	313	32	291	295	55	+288	+634	111·7	104·6
3rd quarter	97	101	329	473	337	419	432	603	+380	+668	113·4	103·9
4th quarter	98	101	179	1,033	714	992	758	756	+248	+953	111·3	107·1
1972 1st quarter	98	100	418	964	1,092	826	—466	1,436	+ 79	+ 57	109·4	112·8
2nd quarter	97	95	452	1,532	2,147	1,407	—697	1,565	+131	—1,045	113·7	113·9
3rd quarter	96	94	162	1,031	1,324	936	— 45	1,007	—110	— 79	99·7(4)	110·9(4)
4th quarter	94	90	471	1,772	2,320	1,635	182	1,503	— 17	—198	122·7	126·9
1973 1st quarter	90	87	14	1,503	1,658	1,365	357	1,220	—187	+ 69	122·6	131·2
2nd quarter	93	88	803	1,291	1,323	1,162	482	945	—208	+377	126·3	131·5
3rd quarter	92	87	—371	2,446	2,977	2,442	561	1,763	—317	—258	129·3	135·7
4th quarter	..											

(1) An article on the definitions of money stock was published in the March 1972 issue of *Economic Trends*.
(2) *Overseas Trade Statistics* basis.
(3) Excluding foreign currencies.
(4) Affected by the dock strike.
n.s.a.=not seasonally adjusted.

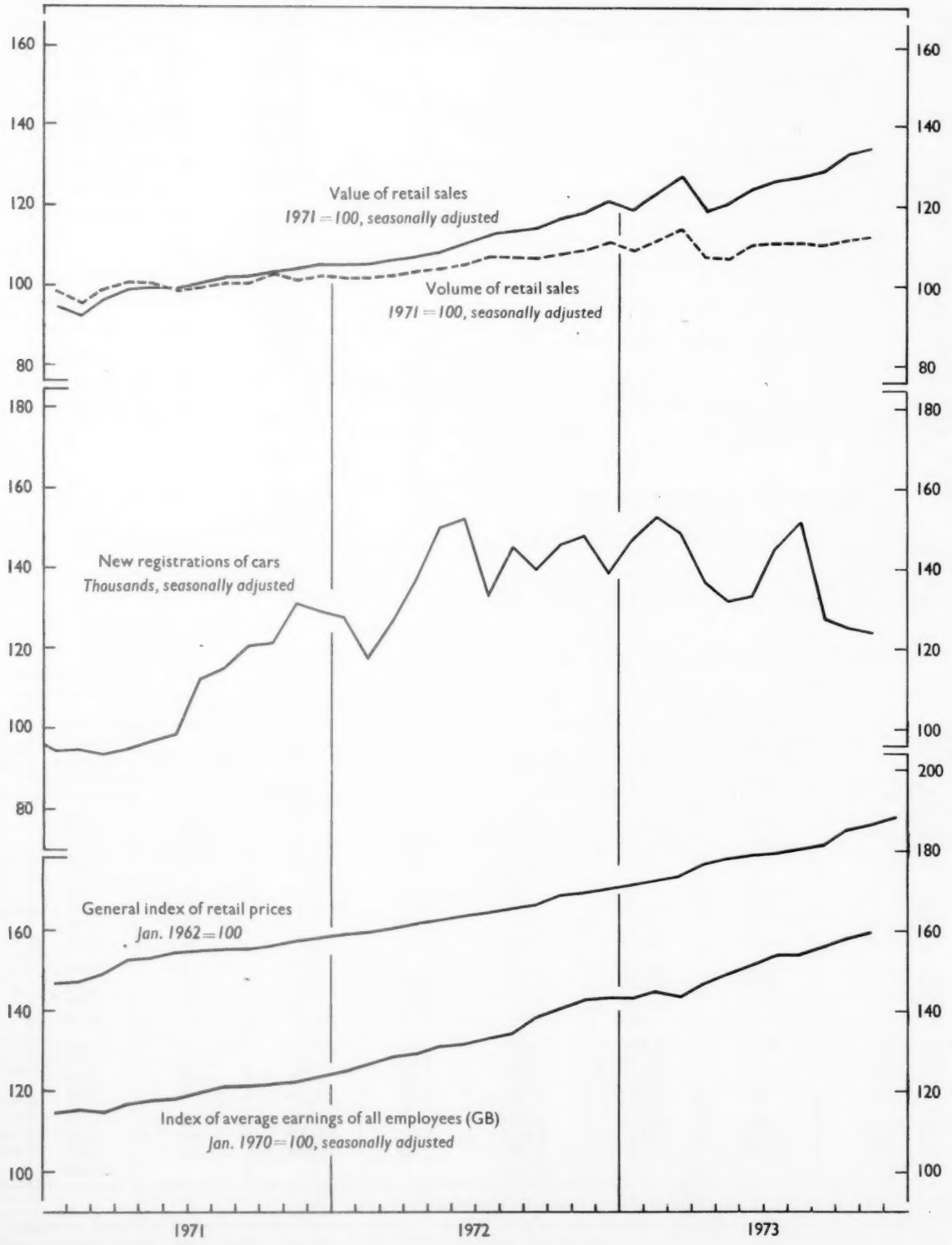
Latest developments

The charts in this section show key monthly indicators on a larger time scale than that used for the longer periods covered in other sections.

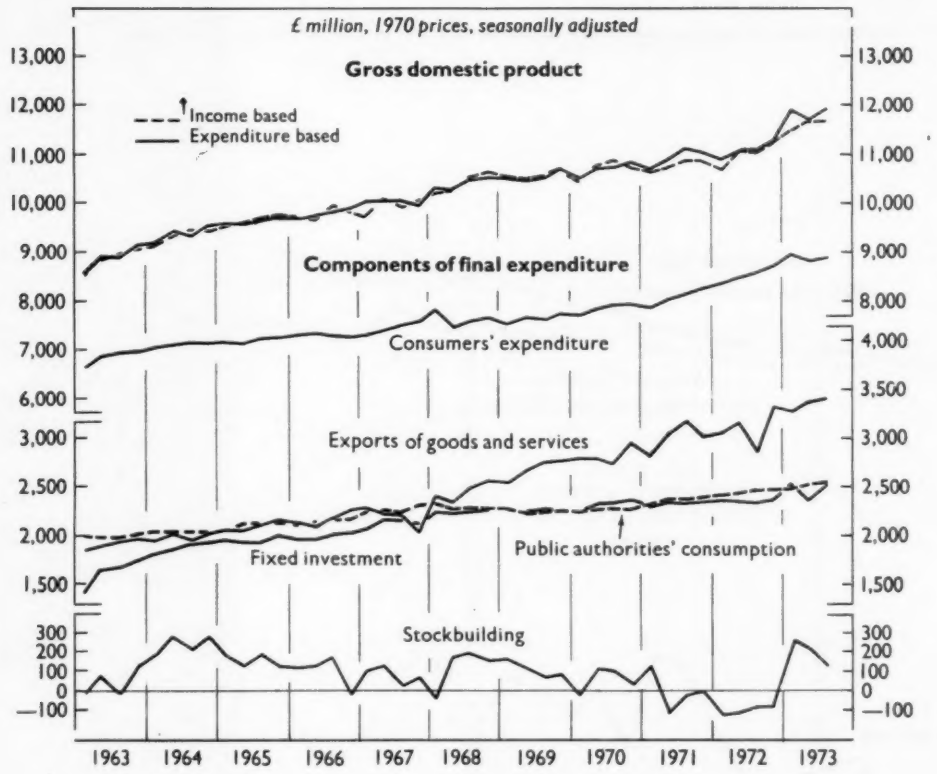


(1) *Overseas Trade Statistics* basis, before adjustment for recording of exports.

Latest developments



Gross domestic product and components of final expenditure



Gross domestic product is a measure of the aggregate output of the economy. When estimated from expenditure data it equals the sum of consumers' expenditure, exports, fixed investment, public authorities' consumption and stockbuilding, *less* imports (the products of other countries) and an adjustment to exclude taxes on expenditure and include subsidies. Gross domestic product at factor cost can also be estimated from output or from income data.

£ million, 1970 prices, seasonally adjusted

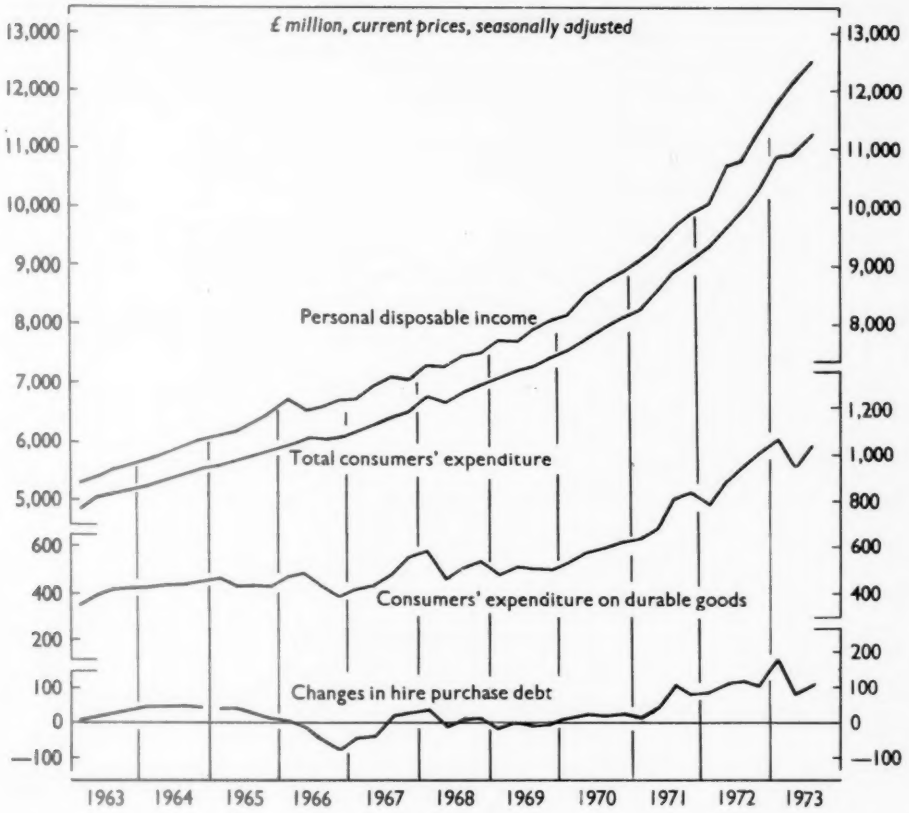
	Gross domestic product at factor cost (expenditure based)	Final expenditure on goods and services at market prices						Imports of goods and services §
		Total	Consumers' expenditure	Public authorities' consumption	Fixed investment	Stockbuilding	Exports of goods and services §	
1969 1st quarter ..	10,501	14,829	7,592	2,263	2,279	157	2,538	2,548
2nd quarter ..	10,471	14,900	7,665	2,221	2,235	107	2,672	2,601
3rd quarter ..	10,522	14,980	7,640	2,238	2,280	70	2,752	2,622
4th quarter ..	10,662	15,085	7,741	2,254	2,248	85	2,757	2,584
1970 1st quarter ..	10,514	14,973	7,715	2,244	2,236	— 21	2,799	2,602
2nd quarter ..	10,708	15,359	7,836	2,283	2,317	125	2,798	2,761
3rd quarter ..	10,736	15,362	7,923	2,290	2,318	106	2,725	2,697
4th quarter ..	10,830	15,540	7,930	2,278	2,352	47	2,933	2,812
1971 1st quarter ..	10,684	15,404	7,865	2,315	2,299	114	2,811	2,816
2nd quarter ..	10,838	15,649	8,008	2,360	2,332	—103	3,052	2,874
3rd quarter ..	11,111	15,950	8,121	2,363	2,318	— 18	3,166	2,832
4th quarter ..	11,033	15,957	8,217	2,392	2,320	—	3,028	2,876
1972 1st quarter ..	10,908	16,031	8,329	2,410	2,366	—136	3,062	3,050
2nd quarter ..	11,051	16,295	8,462	2,426	2,341	—104	3,170	3,096
3rd quarter ..	11,018	16,151	8,585	2,473	2,321	— 87	2,859	3,021
4th quarter ..	11,235	16,803	8,739	2,477	2,354	— 85	3,318	3,382
1973 1st quarter ..	11,866	17,541	8,977	2,489	2,525	253	3,297	3,410
2nd quarter ..	11,672	17,320	8,824	2,516	2,374	213	3,393	3,408
3rd quarter ..	11,881	17,510	8,898	2,540	2,525	138	3,409	3,393
4th quarter(')			(8,970)				(3,390)	(3,601)

† Income data deflated by the price index implied by estimates based on expenditure data.

(') The figures in brackets are preliminary estimates and are partially forecast, being based on incomplete data. At this stage, estimates of the latest quarterly changes are expected to differ on average by about £35 million (consumers' expenditure) and about £15 million (exports and imports) from the quarterly estimates subsequently published in the national income and expenditure article.

Personal disposable income, spending and borrowing

The monetary resources at the disposal of consumers consist of their disposable income *plus* their borrowing e.g. through increases in hire purchase debt. Much of this borrowing is for the purchase of consumer durables.



£ million, current prices, seasonally adjusted

	Personal disposable income	Consumers' expenditure		Changes in hire purchase and other instalment debt (²)
		Tota	Durable goods(¹)	
1969 1st quarter	7,737	7,052	481	— 16
2nd quarter	7,724	7,207	520	+ 1
3rd quarter	7,898	7,268	518	— 3
4th quarter	8,080	7,441	515	— 2
1970 1st quarter	8,154	7,555	535	+ 10
2nd quarter	8,550	7,772	573	+ 24
3rd quarter	8,754	7,957	591	+ 20
4th quarter	8,909	8,120	623	+ 30
1971 1st quarter	9,086	8,236	639	+ 13
2nd quarter	9,358	8,619	684	+ 37
3rd quarter	9,655	8,900	806	+107
4th quarter	9,897	9,083	814	+ 83
1972 1st quarter	10,051	9,320	782	+ 87
2nd quarter	10,743	9,616	878	+108
3rd quarter	10,799	9,954	949	+123
4th quarter	11,384	10,373	1,007	+106
1973 1st quarter	11,716	10,862	1,059	+177
2nd quarter	12,181	10,898	949	+ 78
3rd quarter	12,506	11,245	1,040	+108
4th quarter				

(¹) Cars, motor cycles and durable household goods. (²) See footnote (²) on page 4.

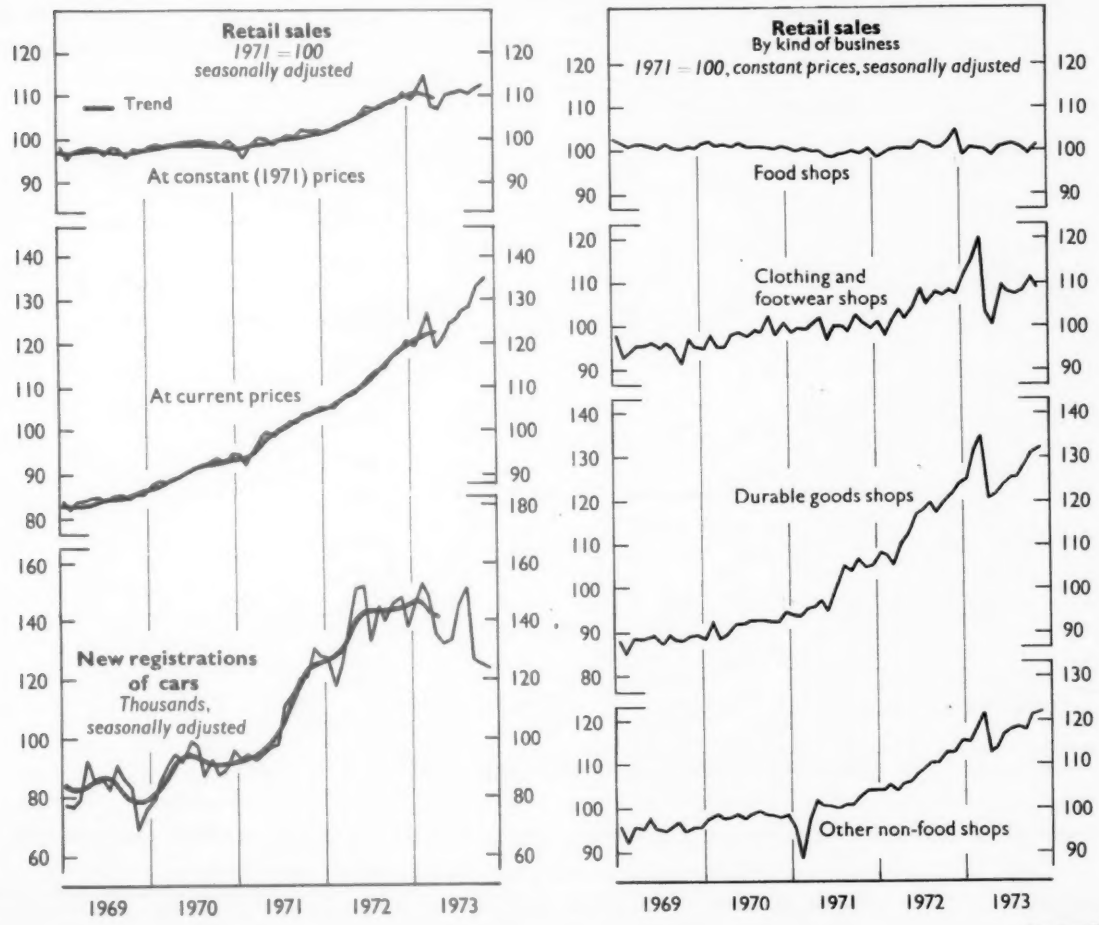
Consumers' expenditure

£ million, 1970 prices, seasonally adjusted

	Food, drink and tobacco	Housing, fuel and light	Clothing, including footwear	Durable household goods	Cars and motor cycles
1969 1st quarter	2,523	1,379	639	326	192
2nd quarter	2,520	1,389	652	334	221
3rd quarter	2,536	1,379	643	327	223
4th quarter	2,566	1,396	643	326	219
1970 1st quarter	2,540	1,410	653	331	227
2nd quarter	2,587	1,402	666	336	244
3rd quarter	2,647	1,405	670	344	239
4th quarter	2,622	1,411	677	342	259
1971 1st quarter	2,600	1,407	653	340	268
2nd quarter	2,620	1,429	681	347	288
3rd quarter	2,635	1,420	668	378	363
4th quarter	2,634	1,432	682	384	362
1972 1st quarter	2,711	1,412	697	396	324
2nd quarter	2,686	1,455	692	415	381
3rd quarter	2,656	1,475	732	433	417
4th quarter	2,689	1,468	735	445	437
1973 1st quarter	2,772	1,455	799	489	432
2nd quarter	2,811	1,470	729	443	382
3rd quarter	2,803	1,493	737	459	426
4th quarter					

Retail sales, new registrations of cars (Great Britain)

Retail sales cover about half of consumers' expenditure; purchases of new cars are a relatively small but volatile element in expenditure.

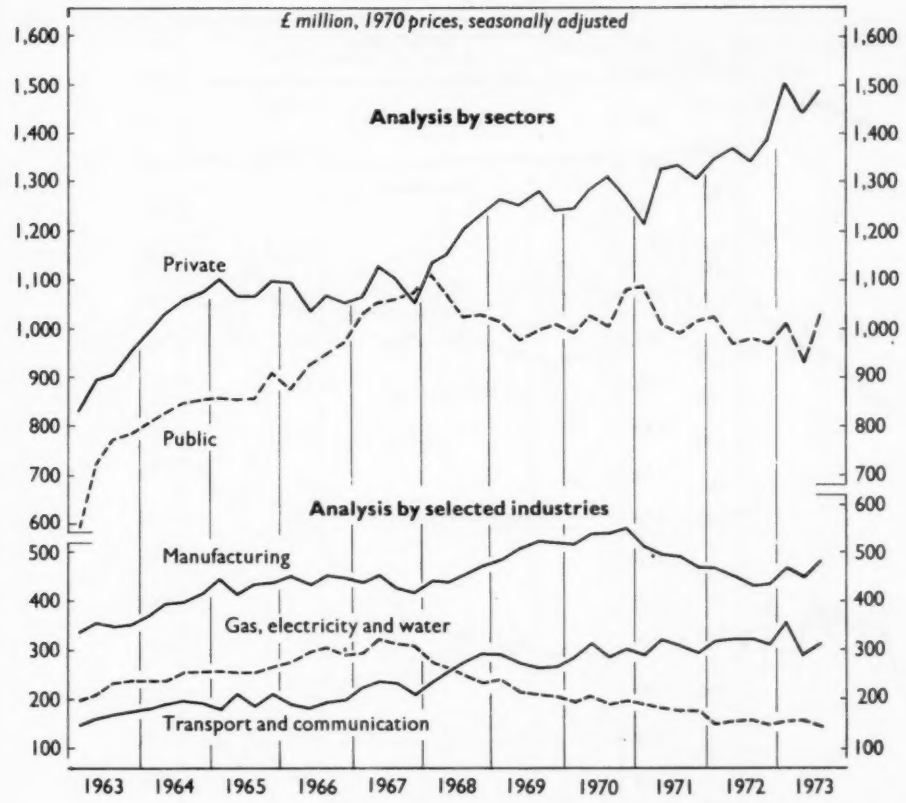


Seasonally adjusted

	Index numbers of retail sales Weekly average 1971=100(1)						New registrations of cars §
	Total § (2)	Food shops § (2)	Clothing and footwear shops §	Durable goods shops §	Other non-food shops §	Total § (2)	
	At constant prices					At current prices	Thousands
Estimated sales in 1971 (£ million)	*15,895*	*6,693*	*2,314*	*1,801*	*5,087*	*15,895*	
1971 1st quarter	97·8	100·5	99	95	95	94·5	282
2nd quarter	99·7	99·8	100	96	101	99·2	290
3rd quarter	100·5	99·6	100	104	101	101·7	348
4th quarter	102·1	100·2	101	106	104	104·6	382
1972 1st quarter	102·1	99·7	100	107	104	106·0	372
2nd quarter	104·6	101·0	104	114	107	109·1	440
3rd quarter	107·2	101·9	108	118	110	113·9	419
4th quarter	109·5	103·3	107	122	114	118·9	433
1973 1st quarter	112·0	100·6	116	131	118	123·7	449
2nd quarter	108·2	100·6	105	122	115	121·8	402
3rd quarter	110·7	101·7	108	127	118	127·7	424
4th quarter							
October	111·9	99·4	112	131	122	133·1	126
November	112·5	101·2	109	132	122	134·6	124
December							

(1) The statistics have now been rebased on the provisional results of the Census of Distribution for 1971 (see *Trade and Industry*, 8 November 1973).
(2) These indices are given to one decimal place, but this does not imply that they can be regarded as accurate to the last digit shown.

Fixed investment



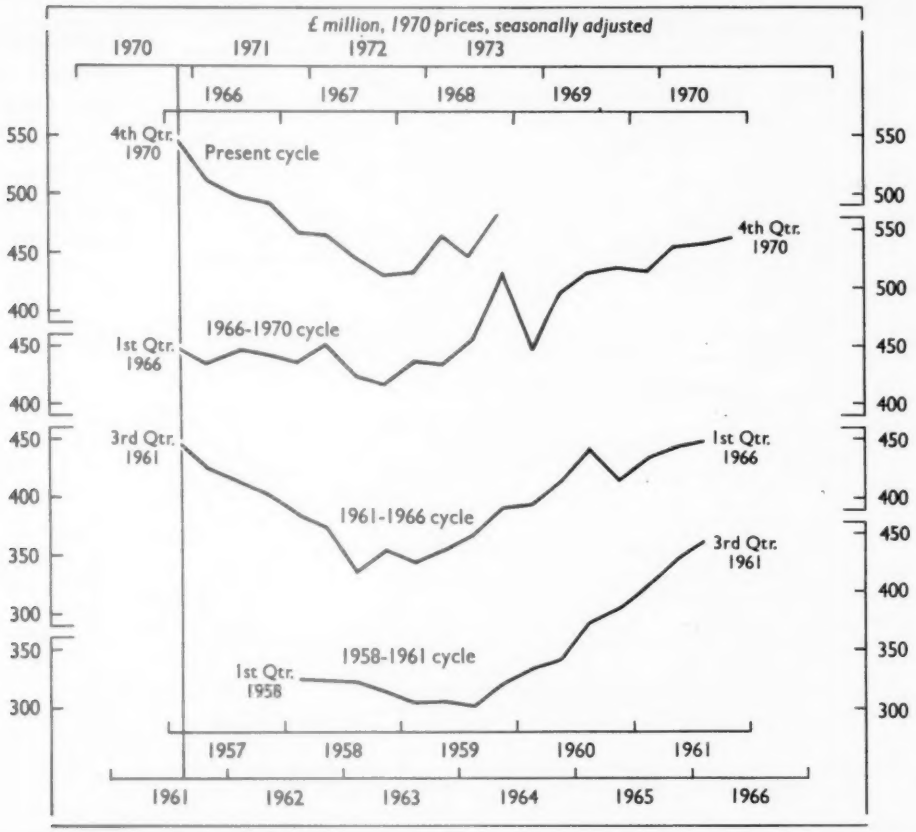
The investment cycle occurs mainly in manufacturing industry.

£ million, 1970 prices, seasonally adjusted

	Sectors		Selected industries		
	Private	Public	Manufacturing §	Gas, electricity and water	Transport and communication
1969 1st quarter	1,263	1,016	481	240	289
2nd quarter	1,257	978	504	216	272
3rd quarter	1,281	999	520	208	263
4th quarter	1,242	1,006	519	205	267
1970 1st quarter	1,246	990	515	198	281
2nd quarter	1,290	1,027	534	201	311
3rd quarter	1,315	1,003	538	186	287
4th quarter	1,273	1,079	542	198	301
1971 1st quarter	1,214	1,085	511	186	291
2nd quarter	1,326	1,006	498	180	321
3rd quarter	1,331	987	491	178	308
4th quarter	1,307	1,013	468	177	294
1972 1st quarter	1,343	1,023	466	149	319
2nd quarter	1,370	971	447	156	321
3rd quarter	1,341	980	430	155	323
4th quarter	1,387	967	432	146	311
1973 1st quarter	1,508	1,017	465	153	359
2nd quarter	1,443	931	447	153	288
3rd quarter	1,492	1,033	482	142	312
4th quarter					

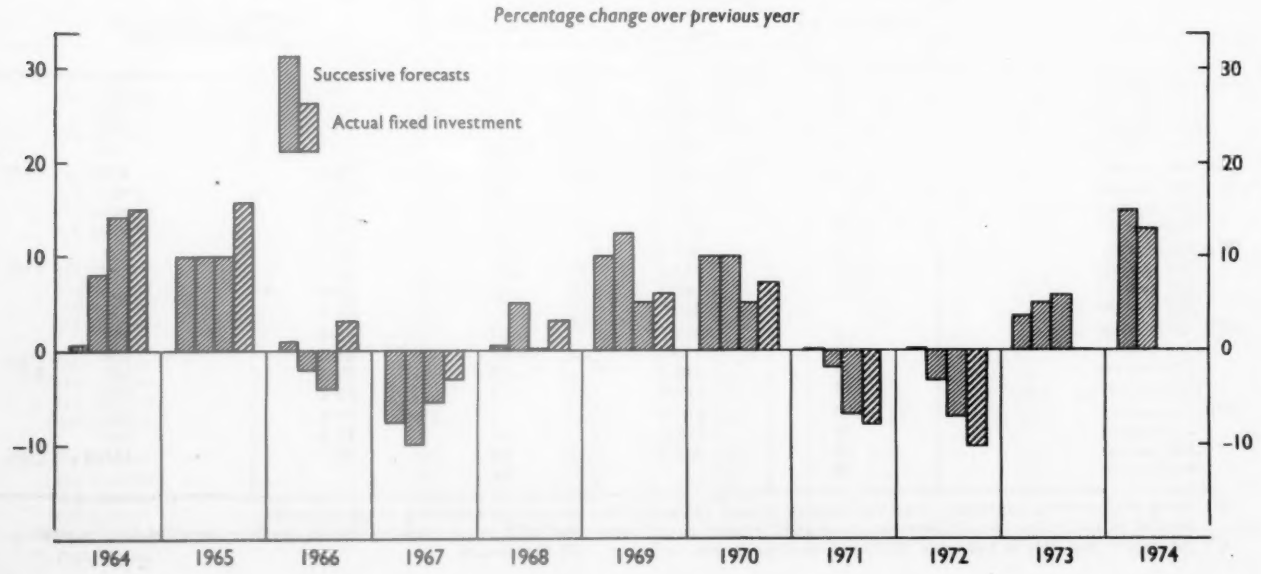
Fixed investment

Present and previous cycles of fixed investment in manufacturing industry

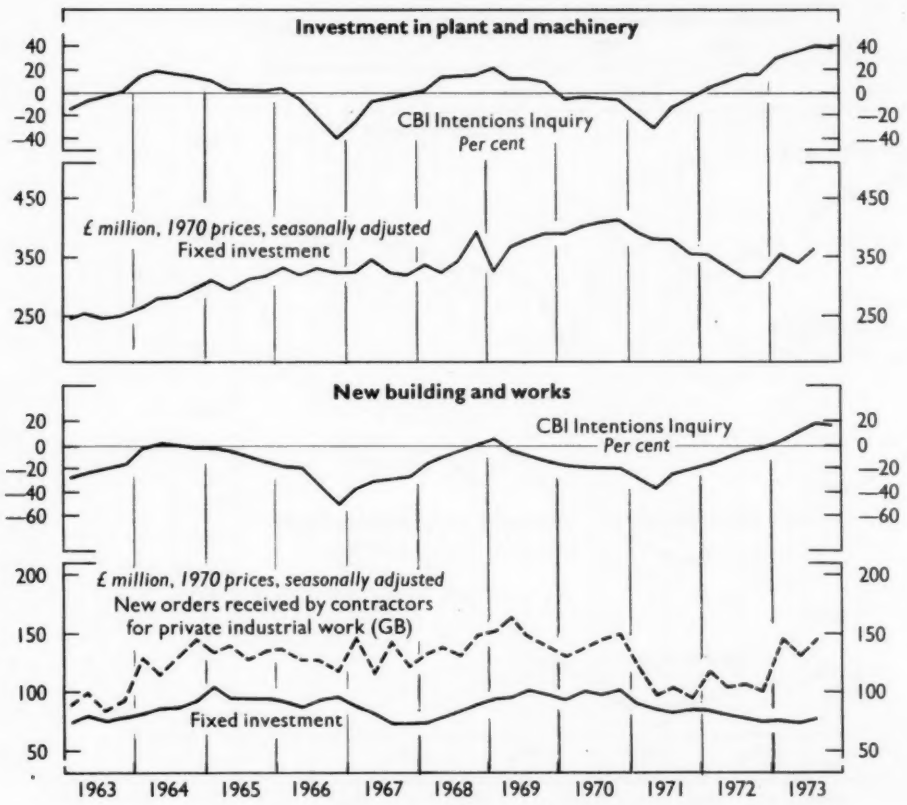


Department of Trade and Industry inquiry into investment intentions in manufacturing industry

For each year there have usually been three successive forecasts: the first in the preceding summer, the second at the end of the previous year and the third in the summer of the year concerned. Changes for the years before 1966 are in terms of current prices; those for later years are expressed in volume terms, after making an approximate allowance for price changes.



Other forward-looking indicators of fixed investment by manufacturing industry

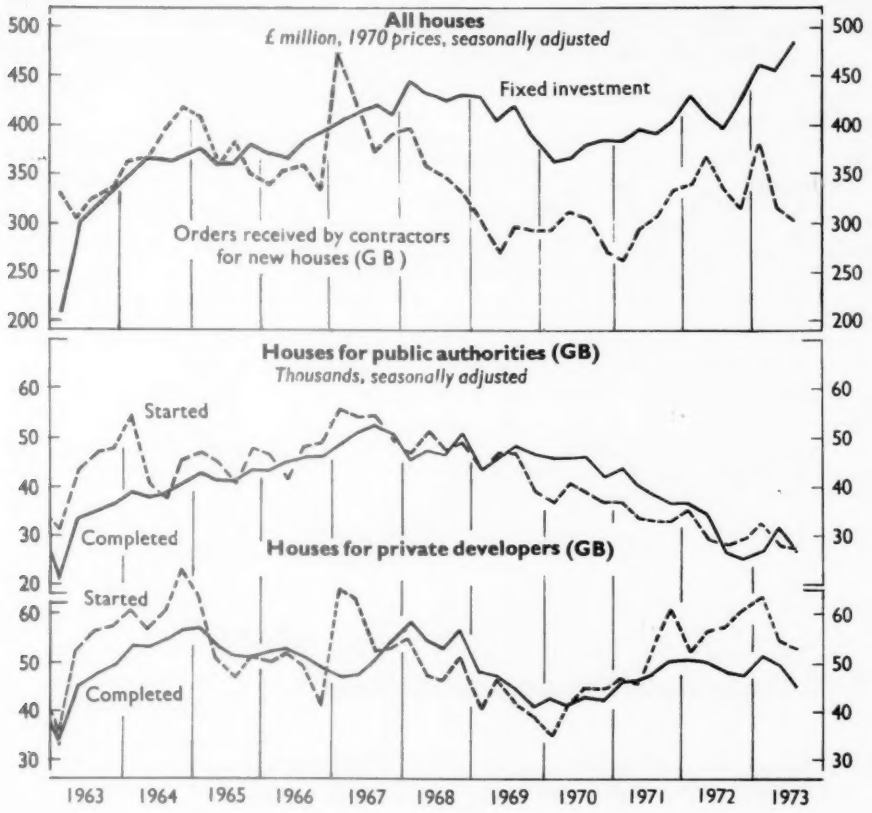


Turning points in the CBI Intentions Inquiry and in the value of orders received by contractors for private industrial work anticipate turning points in fixed investment.

	Plant and machinery in manufacturing industry		New building and works in manufacturing industry		New orders received by contractors for private industrial work (GB)
	CBI Intentions Inquiry	Fixed investment	CBI Intentions Inquiry	Fixed investment	
	Per cent (1)	£ million, 1970 prices, seasonally adjusted	Per cent (1)	£ million, 1970 prices, seasonally adjusted	
1969 1st quarter	21	328·3	6	93·2	152
2nd quarter	12	368·5	— 4	96·4	165
3rd quarter	..	382·7	..	101·3	147
4th quarter	10	392·0	—14	97·8	138
1970 1st quarter	— 5	391·6	—18	93·8	130
2nd quarter	— 3	404·9	—20	100·0	138
3rd quarter	..	410·5	..	98·4	145
4th quarter	— 8	412·4	—21	101·2	150
1971 1st quarter	(2)	393·9	(2)	90·4	121
2nd quarter	—31	384·4	—37	86·8	98
3rd quarter	—13	381·9	—25	82·4	104
4th quarter	..	355·0	..	85·1	96
1972 1st quarter	3	353·7	—17	83·4	119
2nd quarter	9	335·3	—11	81·0	104
3rd quarter	16	318·3	— 4	79·2	107
4th quarter	17	319·9	— 2	75·3	100
1973 1st quarter	30	352·5	4	77·5	147
2nd quarter	35	342·0	11	73·5	131
3rd quarter	39	368·3	18	79·7	147(3)
4th quarter	38		16		

(1) Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.
Figures relate to Inquiries in February, June and October of each year until 1972, when they are held in the first month of each quarter.
(2) No Inquiry was held in February 1971 because of the postal strike. (3) Provisional.

Forward-looking indicators of fixed investment in dwellings

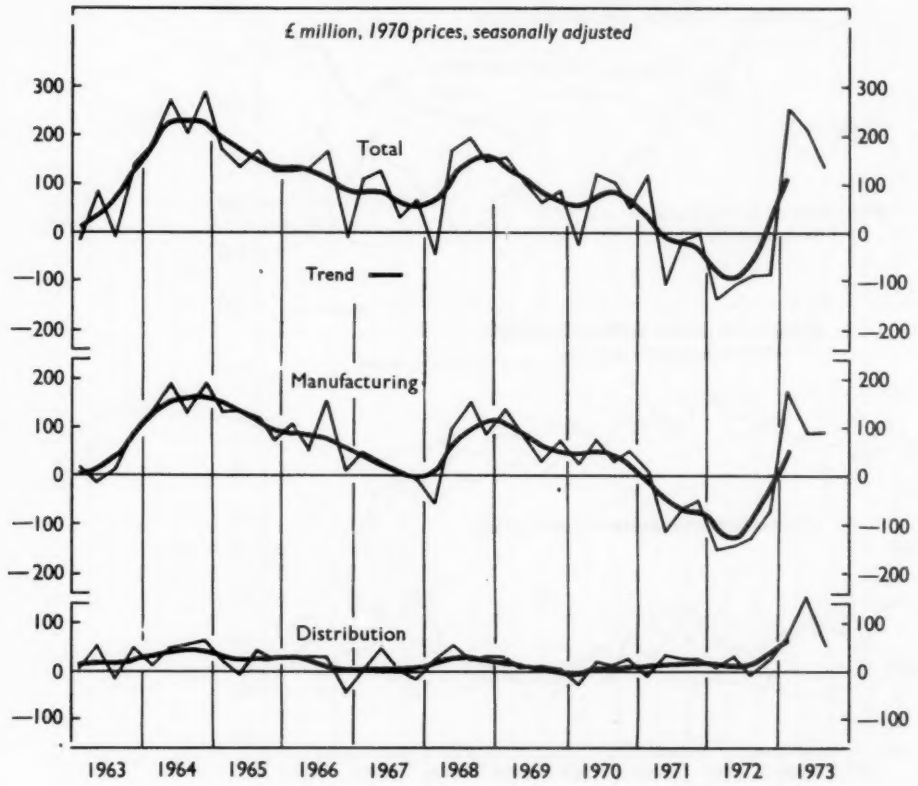


Seasonally adjusted

	Orders received by contractors for new houses (GB)	Fixed invest-ment in dwellings	Houses for public authorities (GB) §		Houses for private developers (GB) §	
			Started	Completed	Started	Completed
	£ million, 1970 prices		Thousands			
1969 1st quarter	303	430	43·8	43·8	40·6	48·3
2nd quarter	268	407	47·1	46·1	46·8	47·6
3rd quarter	296	421	47·1	48·5	41·2	44·7
4th quarter	293	390	38·6	46·7	38·2	41·1
1970 1st quarter	291	366	36·4	46·0	35·3	43·0
2nd quarter	308	369	40·7	46·0	41·7	41·5
3rd quarter	302	382	39·9	46·1	44·4	43·6
4th quarter	270	386	37·1	42·0	43·7	42·2
1971 1st quarter	260	385	36·7	44·0	47·0	46·4
2nd quarter	294	397	33·6	40·3	45·4	46·5
3rd quarter	308	392	33·1	38·1	54·0	48·4
4th quarter	334	407	33·2	36·5	60·9	50·3
1972 1st quarter	340	431	35·8	36·5	52·5	50·7
2nd quarter	368	411	29·4	34·1	56·3	50·2
3rd quarter	334	399	28·1	26·4	57·8	48·1
4th quarter	314	430	29·7	25·8	60·8	47·3
1973 1st quarter	381	461	32·3	26·4	63·7	51·6
2nd quarter	317	456	28·1	31·4	54·5	49·5
3rd quarter	302(1)	486	27·4	27·1	53·6	45·3
4th quarter						

(1) Provisional.

Stock changes



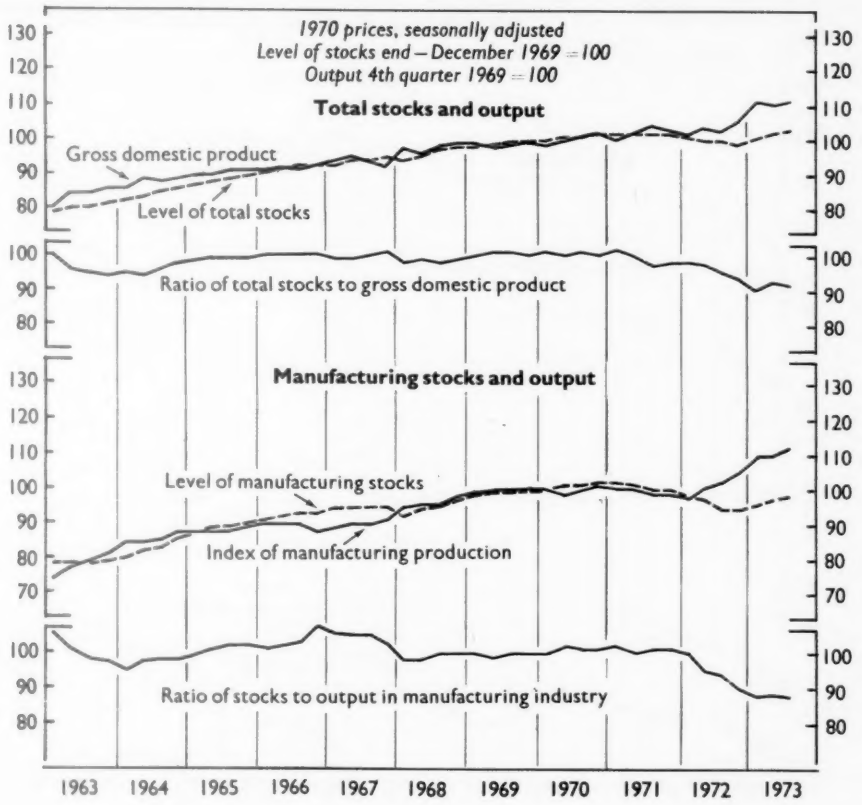
Stock changes are the value of physical increase or decrease of stocks and work in progress at constant prices, for the turing economy, for manufac- whole and for wholesale and retail distribution.

£ million, 1970 prices, seasonally adjusted

	Total §	Manufacturing §	Distribution
1969 1st quarter	157	140	34
2nd quarter	107	83	6
3rd quarter	70	24	12
4th quarter	85	73	3
1970 1st quarter	— 21	22	—26
2nd quarter	125	76	20
3rd quarter	106	26	13
4th quarter	47	51	23
1971 1st quarter	114	10	— 8
2nd quarter	—103	—113	33
3rd quarter	— 18	— 68	24
4th quarter	—	— 47	24
1972 1st quarter	—136	—156	6
2nd quarter	—104	—145	28
3rd quarter	— 87	—125	— 4
4th quarter	— 85	— 72	20
1973 1st quarter	253	168	70
2nd quarter	213	87	150
3rd quarter	138	91	53
4th quarter			

Relationship of stocks and output (stock/output ratios)

The level of stocks rises broadly with the level of output but the stock cycle lags behind the output cycle; the ratio of stocks to output therefore fluctuates: stocks are sometimes high in relation to output, sometimes low.

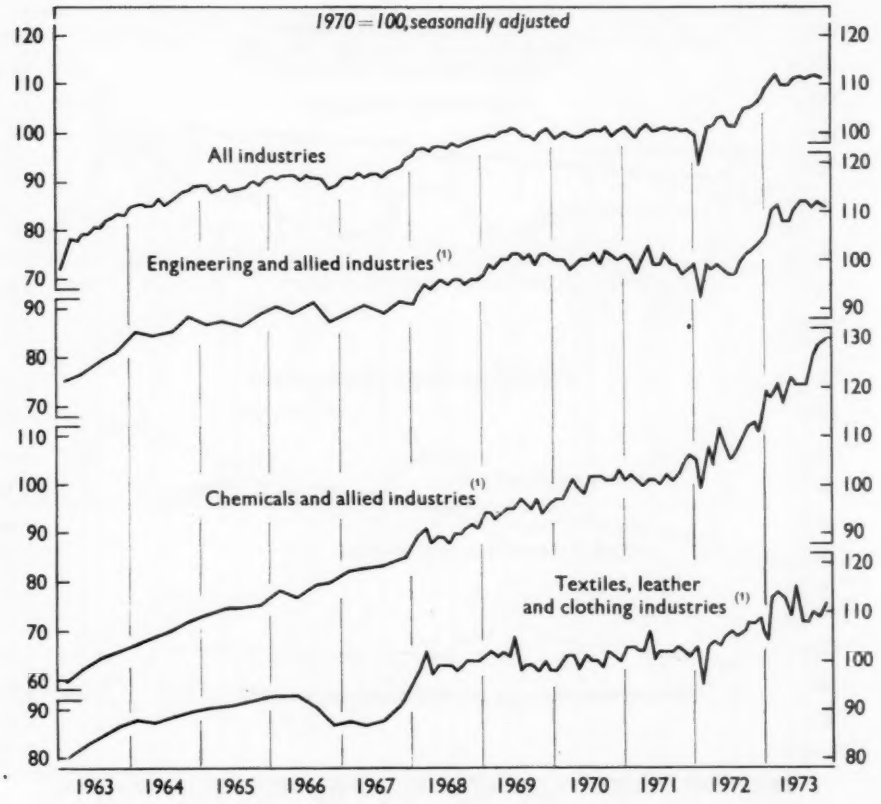


1970 prices, seasonally adjusted { Level of stocks end-Dec. 1969 = 100 / Output 4th quarter 1969 = 100

	Level of total stocks	Gross domestic product (1)	Ratio of total stocks to gross domestic product	Level of manufacturing stocks	Index of manufacturing production	Ratio of stocks to output in manufacturing industry
1969 1st quarter	98	99	100	98	99	100
2nd quarter	99	98	101	99	100	99
3rd quarter	100	99	101	99	100	100
4th quarter	100	100	100	100	100	100
1970 1st quarter	100	99	101	100	100	100
2nd quarter	101	100	100	101	99	102
3rd quarter	101	101	101	101	100	101
4th quarter	102	102	100	102	101	101
1971 1st quarter	102	100	102	102	100	102
2nd quarter	102	102	100	101	100	100
3rd quarter	102	104	97	100	99	101
4th quarter	102	103	98	100	99	101
1972 1st quarter	101	102	98	98	98	100
2nd quarter	100	104	97	97	101	95
3rd quarter	100	103	96	95	102	94
4th quarter	99	105	94	95	105	90
1973 1st quarter	101	111	90	96	110	87
2nd quarter	102	110	93	97	110	88
3rd quarter	103	111	92	98	112	87
4th quarter						

(1) Based on expenditure data.

Index of industrial production



The index of industrial production covers about half of the gross domestic product.

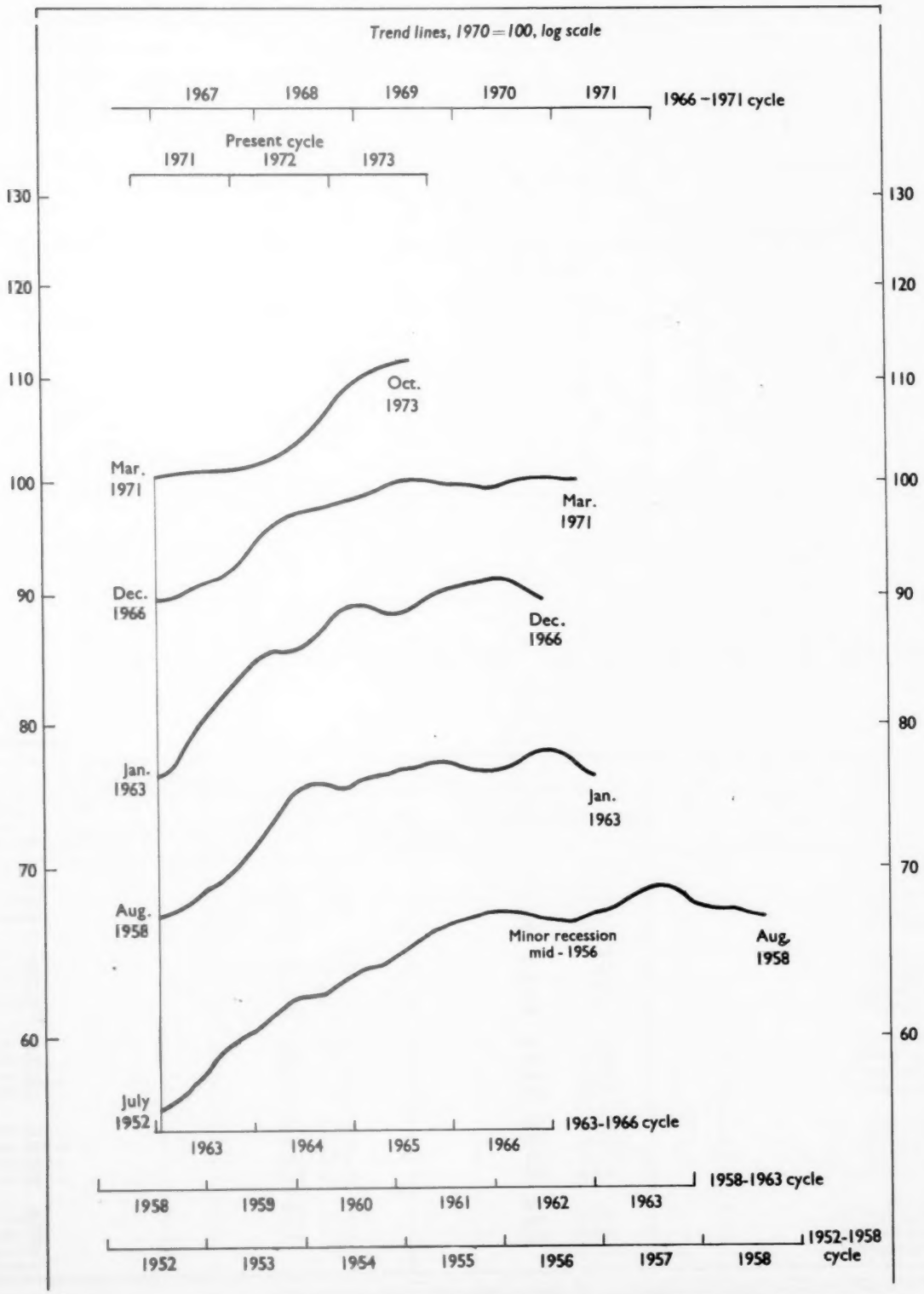
1970 = 100, seasonally adjusted

		All industries §	Manufacturing industries §		
			Engineering and allied industries	Chemicals and allied industries	Textiles, leather and clothing industries
	Weights	*1,000*	*318*	*58*	*76*
1971	October	100·6	99	102	103
	November	100·2	97	105	102
	December	100·3	98	106	101
1972	January	99·9	99	105	103
	February	93·1	92	99	95
	March	101·0	99	108	103
	April	101·7	98	104	104
	May	103·1	99	112	103
	June	103·5	98	108	105
	July	101·8	97	105	106
	August	101·4	97	106	105
	September	103·9	100	110	106
	October	105·1	101	112	108
	November	105·7	102	113	108
	December	106·1	103	111	109
1973	January	108·6	106	119	104
	February	110·7	110	118	113
	March	111·9	111	121	114
	April	110·0	108	117	113
	May	109·9	108	122	109
	June	111·1	110	121	115
	July	111·5	112	121	108
	August	111·0	112	121	108
	September	111·6	111	127	110
	October	111·7	112	129	109
	November	111·1	111	130	112
	December				

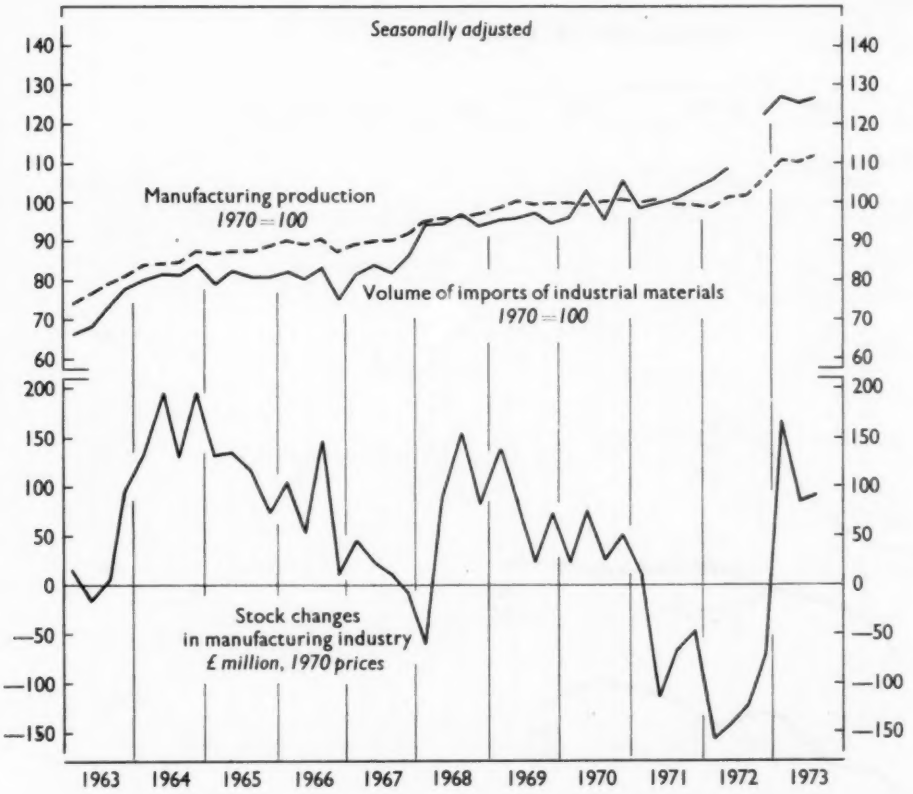
(1) Quarterly data only before 1968.

Cycles of industrial production

This chart shows cycles in the index of production (all industries).



Changes in stocks, manufacturing production and imports of industrial materials



Imports of industrial materials rise or fall with rising or falling manufacturing production and stockbuilding.

Seasonally adjusted

	Volume of imports of industrial materials (1)	Manufacturing industry	
		Production	Stock changes
	1970 = 100		£ million, 1970 prices
1969 1st quarter	95	99	140
2nd quarter	96	100	83
3rd quarter	97	100	24
4th quarter	95	100	73
1970 1st quarter	96	100	22
2nd quarter	103	99	76
3rd quarter	95	100	26
4th quarter	106	101	51
1971 1st quarter	98	100	10
2nd quarter	100	100	—113
3rd quarter	100	99	— 68
4th quarter	104	99	— 47
1972 1st quarter	106	98	—156
2nd quarter	109	101	—145
3rd quarter	(2)	102	—125
4th quarter	122	105	— 72
1973 1st quarter	127	110	168
2nd quarter	126	110	87
3rd quarter	127	112	91
4th quarter	..	..	..

(1) Basic materials and semi-finished manufactures. (2) Not available, affected by the dock strike.

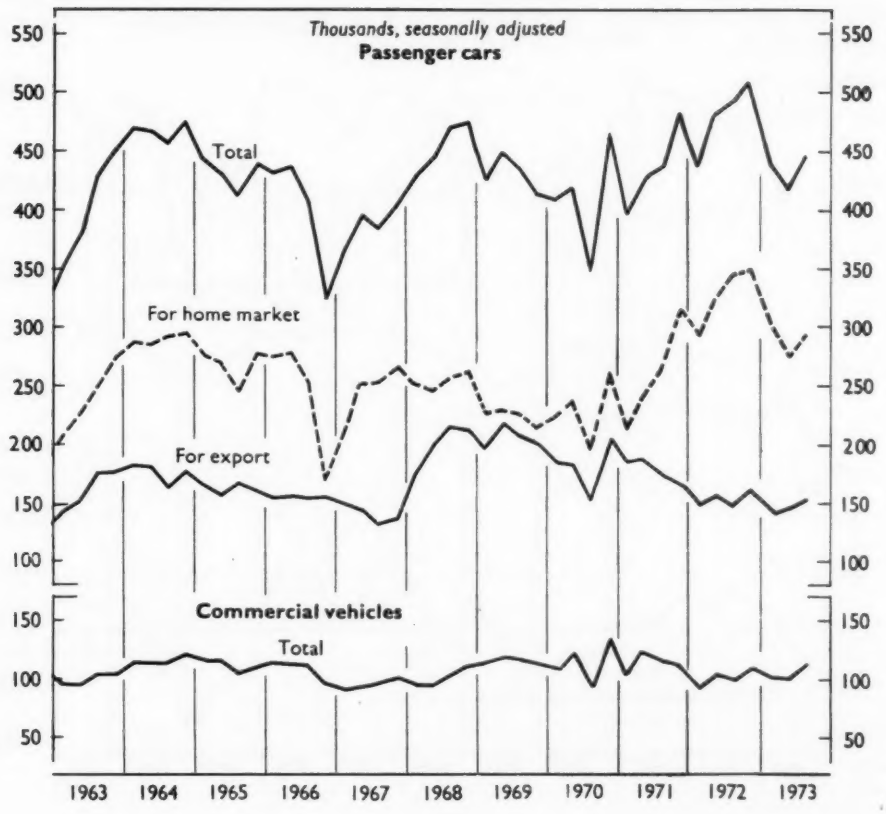
Steel

Thousand tonnes, seasonally adjusted

	Crude steel production §	Finished steel consumption(')	Changes in consumers' and merchants' stocks(')
1969 1st quarter	6,917	4,434	+271
2nd quarter	6,912	4,525	+206
3rd quarter	6,375	4,419	— 16
4th quarter	6,669	4,404	+ 67
1970 1st quarter	6,911	4,514	+142
2nd quarter	6,949	4,364	+123
3rd quarter	6,918	4,463	+193
4th quarter	7,091	4,296	+166
1971 1st quarter	6,325	4,520	—118
2nd quarter	5,976	4,158	—214
3rd quarter	6,412	4,067	—180
4th quarter	5,560	3,977	—327
1972 1st quarter	5,228	3,933	— 27
2nd quarter	6,520	4,043	—145
3rd quarter	6,731	4,275	+ 36
4th quarter	6,875	4,499	+116
1973 1st quarter	6,674	4,761	+154
2nd quarter	6,418	4,360	+142
3rd quarter	6,966	4,640	+166
4th quarter			

(') From 1st quarter 1971 includes welded tubes, over 400mm internal diameter, previously excluded.

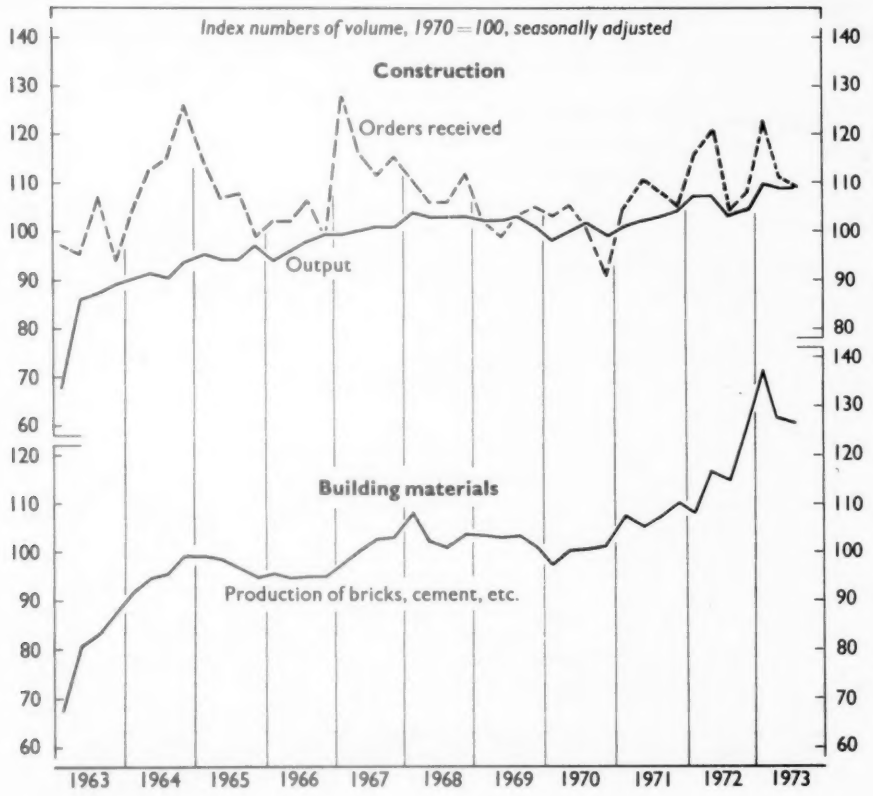
Motor vehicle production



Thousands, seasonally adjusted

	Passenger cars			Commercial vehicles §
	Total	For home market §	For export §	Total
1969 1st quarter	423·6	226·2	197·4	114·4
2nd quarter	447·9	229·2	218·7	119·4
3rd quarter	433·8	225·6	208·2	119·0
4th quarter	411·7	211·7	200·0	112·9
1970 1st quarter	407·8	223·2	184·6	109·1
2nd quarter	418·8	236·3	182·5	121·0
3rd quarter	346·9	196·2	150·7	93·6
4th quarter	467·4	262·4	205·0	133·8
1971 1st quarter	395·2	210·8	184·4	101·1
2nd quarter	428·9	240·7	188·2	123·6
3rd quarter	436·6	262·0	174·6	117·5
4th quarter	481·2	313·9	167·3	113·9
1972 1st quarter	439·5	290·3	149·2	92·0
2nd quarter	480·5	323·6	156·9	104·0
3rd quarter	491·8	345·0	146·8	100·7
4th quarter	509·5	349·0	160·5	111·4
1973 1st quarter	439·2	298·1	141·0	102·9
2nd quarter	418·4	272·8	145·7	102·2
3rd quarter	445·6	292·9	152·8	113·4
4th quarter				

Construction industry

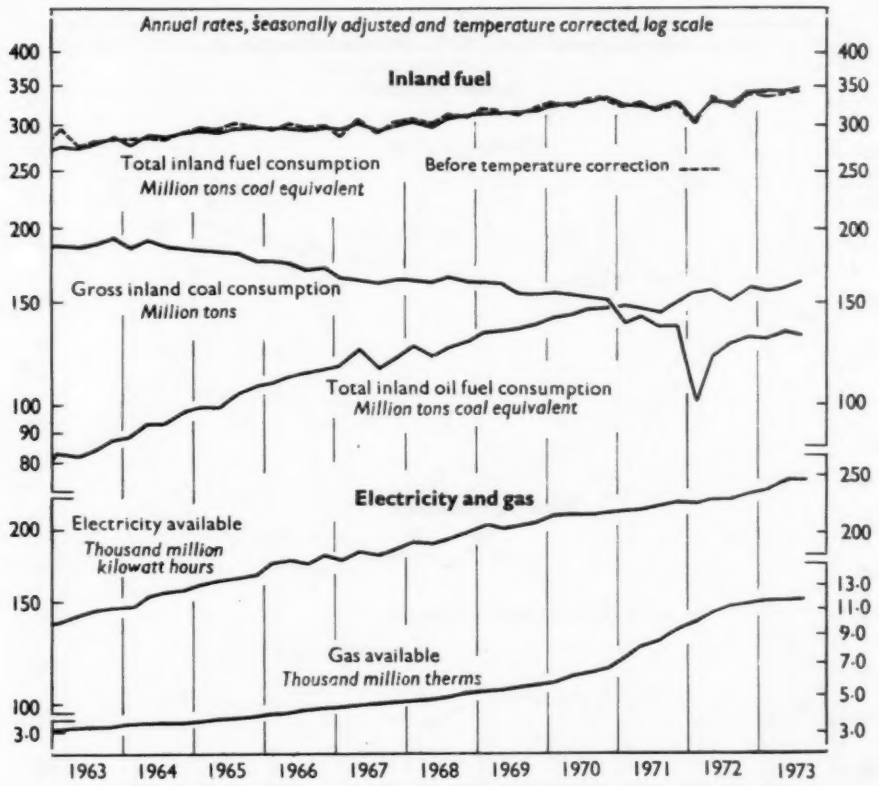


Index numbers of volume, 1970 = 100, seasonally adjusted

	Construction		Production of bricks, cement, etc.(1)
	Output(2) §	Orders received	
1969 1st quarter	102	102	104
2nd quarter	102	99	103
3rd quarter	103	103	103
4th quarter	101	105	101
1970 1st quarter	98	103	97
2nd quarter	100	105	100
3rd quarter	102	101	101
4th quarter	99	91	102
1971 1st quarter	101	105	108
2nd quarter	102	111	106
3rd quarter	103	108	107
4th quarter	104	105	110
1972 1st quarter	107	116	108
2nd quarter	107	121	116
3rd quarter	103	104	115
4th quarter	104	108	124
1973 1st quarter	110	123	137
2nd quarter	109	111	127
3rd quarter	109	109(3)	126
4th quarter			

(1) Index of industrial production series.
(2) Construction output figures include repair and maintenance, direct labour of public sector and estimates of unrecorded output by small firms and self-employed workers.
(3) Provisional.

Inland fuel and power consumption

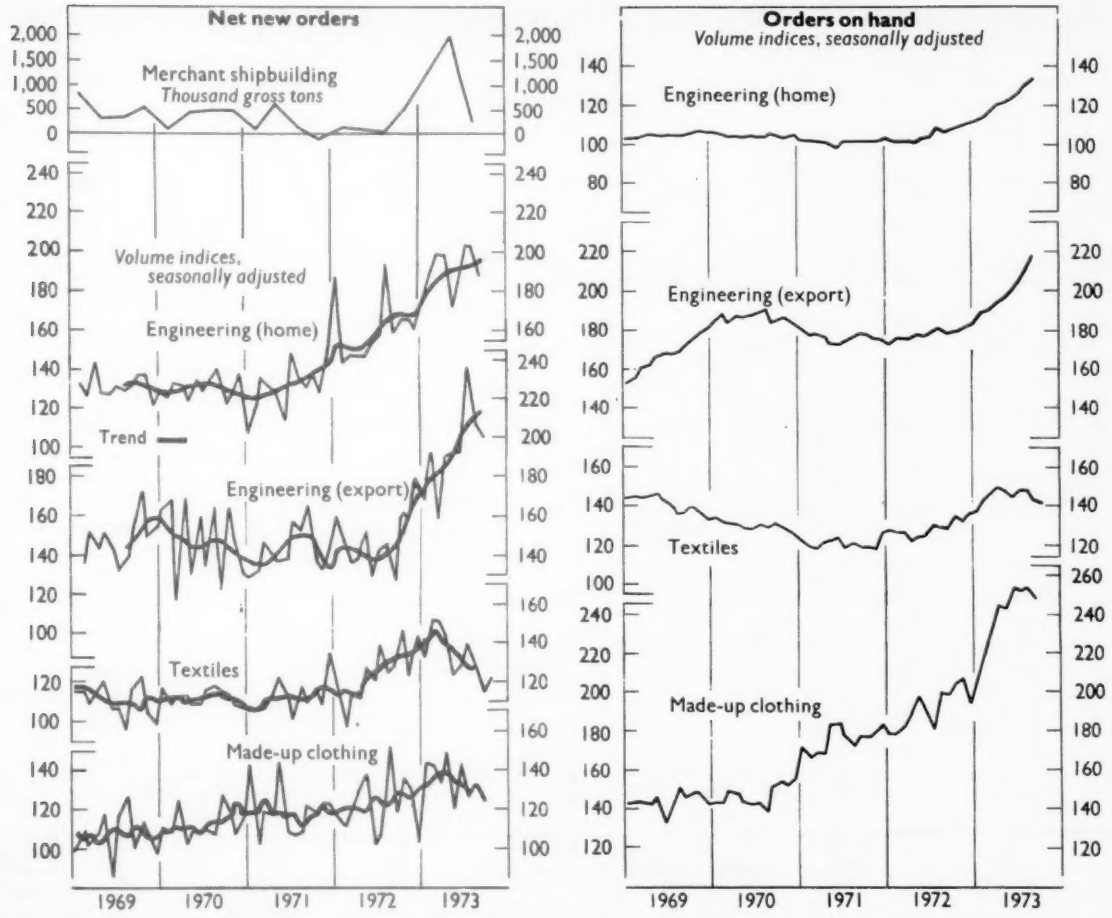


Annual rates, seasonally adjusted and temperature corrected

	Total inland fuel consumption (1)	Gross inland coal consumption	Total inland oil fuel consumption	Electricity available (2) (GB)	Gas available (3) (GB)
	Million tons coal equivalent	Million tons	Million tons coal equivalent	Th. million kilowatt hours	Thousand million therms
1969 1st quarter ..	312·1	162·6	132·7	207·1	5·19
2nd quarter ..	315·5	161·9	133·4	202·2	5·28
3rd quarter ..	315·3	157·3	134·1	203·1	5·46
4th quarter ..	318·5	156·6	138·2	208·6	5·66
1970 1st quarter ..	322·9	157·1	141·1	212·7	5·88
2nd quarter ..	325·6	154·9	143·5	213·4	6·17
3rd quarter ..	329·6	153·2	148·8	213·3	6·43
4th quarter ..	333·1	151·5	149·2	215·2	6·73
1971 1st quarter ..	324·3	140·3	149·3	217·0	7·33
2nd quarter ..	323·9	140·7	147·8	218·3	8·01
3rd quarter ..	319·9	137·6	144·3	220·1	8·52
4th quarter ..	329·5	137·6	150·9	223·3	9·15
1972 1st quarter ..	308·6	101·9	157·9	222·4	9·98
2nd quarter ..	330·7	122·2	159·0	227·8	10·70
3rd quarter ..	328·8	128·9	152·6	228·3	11·18
4th quarter ..	341·6	130·6	160·5	233·8	11·42
1973 1st quarter ..	340·4	130·0	158·6	237·8	11·46
2nd quarter ..	340·2	134·3	158·8	244·8	11·49
3rd quarter ..	344·1	131·6	162·7	243·5	11·62
4th quarter ..					

(1) Includes consumption of nuclear energy. (2) The inclusion of Northern Ireland would add about 2% to the total. (3) The inclusion of Northern Ireland would add about 0·5% to the total.

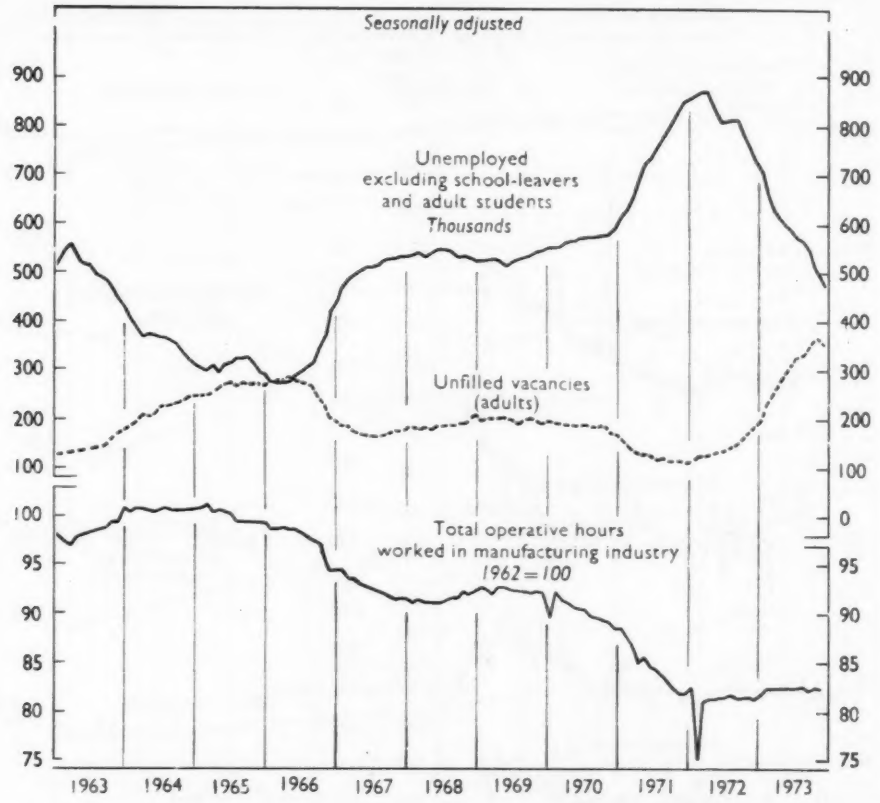
Orders: selected manufacturing industries



	Engineering industries (1)				Textiles industry		Made-up clothing industry		Merchant shipbuilding
	Home market		Export						
	Orders on hand end of period	Net new orders	Orders on hand end of period	Net new orders	Orders on hand end of period	Net new orders	Orders on hand end of period	Net new orders	Net new orders
	Dec.1963=100	1963 average monthly sales=100	Dec.1963=100	1963 average monthly sales=100	Dec.1962=100	Average 1963 deliveries=100	Dec.1962=100	Average 1963 deliveries=100	Thousand gross tons
	Seasonally adjusted								
1971 1st qtr. ..	101	122	178	134	118	106	169	121	98
2nd qtr...	98	125	173	137	124	116	183	123	622
3rd qtr...	101	140	178	156	120	110	176	112	141
4th qtr...	102	139	175	137	126	120	184	121	—101
1972 1st qtr. ..	101	160	176	147	125	110	181	116	143
2nd qtr...	103	149	177	140	124	120	190	123	72
3rd qtr...	107	170	178	139	128	131	199	126	22
4th qtr...	110	164	183	168	135	138	194	123	585
1973 1st qtr. ..	117	186	190	174	145	146	232	140	1,293
2nd qtr...	123	184	201	192	145	132	254	138	1,992
3rd qtr...	134	199	219	214	143	127	247	127	243
4th qtr...									
July ..	127	204	208	236	148	139	251	125	
August ..	131	204	213	206	148	128	253	132	
September	134	188	219	200	143	115	247	124	
October..					141	121			

(1) Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX). Revised series from 1969, see *Trade and Industry* for 1 February 1973.

Unemployment and unfilled vacancies, hours worked
Great Britain

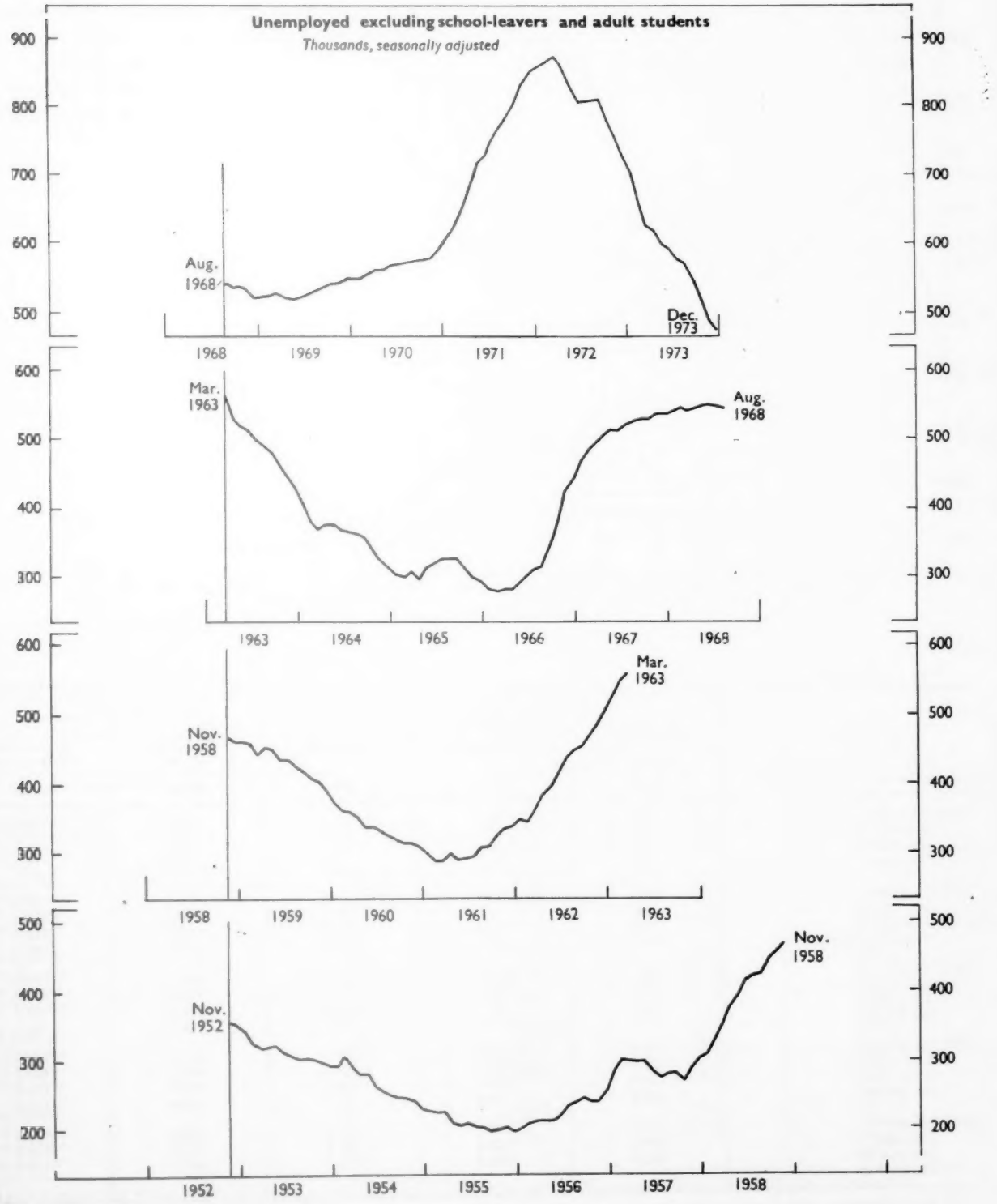


	Unemployed excluding school-leavers and adult students			Unfilled vacancies § (adults)		Total operative hours worked in manufacturing industry
	Total §		Production industries			
	Actual	Seasonally adjusted	Actual	Actual	Seasonally adjusted	1962=100 Seasonally adjusted
	Thousands					
1971 October	799	811	433	119	117	82·7
November	839	838	453	114	117	82·0
December	859	852	468	107	115	82·0
1972 January	917	859	504	103	119	82·5
February	917	866	502	112	125	75·1
March	918	871	503	119	128	81·3
April	895	869	487	130	132	81·5
May	822	833	451	140	135	81·5
June	757	805	415	156	139	81·6
July	756	807	405	153	141	81·6
August	772	808	407	154	147	82·0
September	781	812	411	158	150	81·7
October	766	779	390	166	163	81·8
November	757	756	374	174	177	81·8
December	733	727	361	180	188	81·5
1973 January	760	703	376	185	201	81·9
February	711	660	348	219	232	82·6
March	678	630	331	244	254	82·6
April	644	617	313	273	275	82·6
May	588	599	289	301	296	82·6
June	541	590	268	323	307	82·6
July	528	578	257	337	325	82·6
August	530	565	256	335	328	82·7
September	514	545	246	353	346	82·3
October	502	515	235	365	362	82·6
November	491	490	228	363	366	82·5
December	483	476	229	348	356	

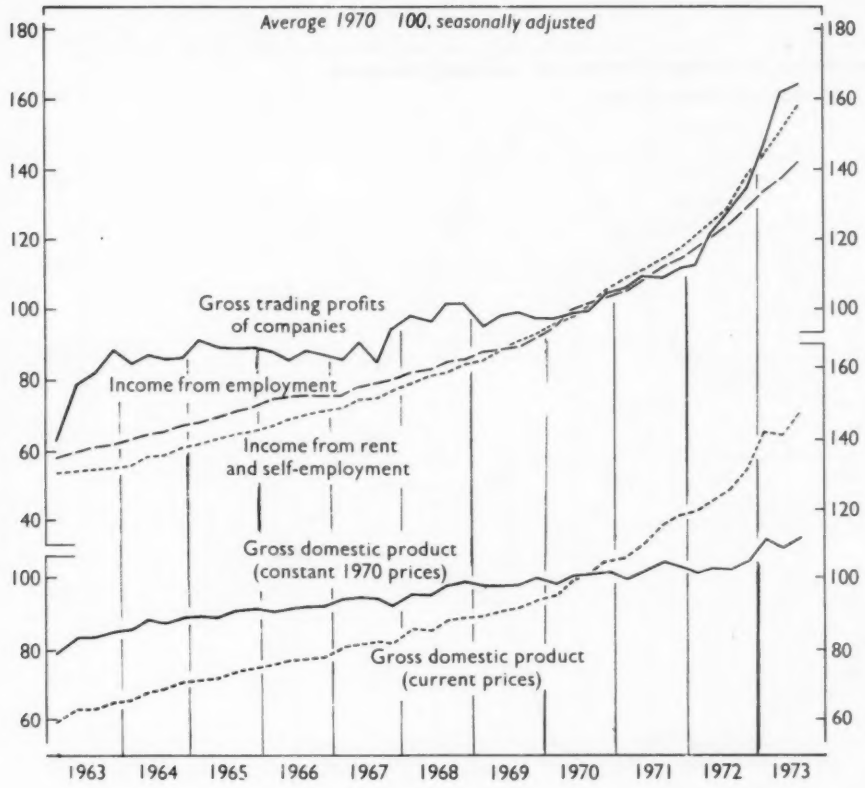
Present and previous cycles of unemployment

Great Britain

The unemployment cycle has usually lagged some months behind the production cycle (see page 19).



Incomes and output



Incomes have generally risen faster than output; as a consequence gross domestic product has grown faster in money value than in real terms.

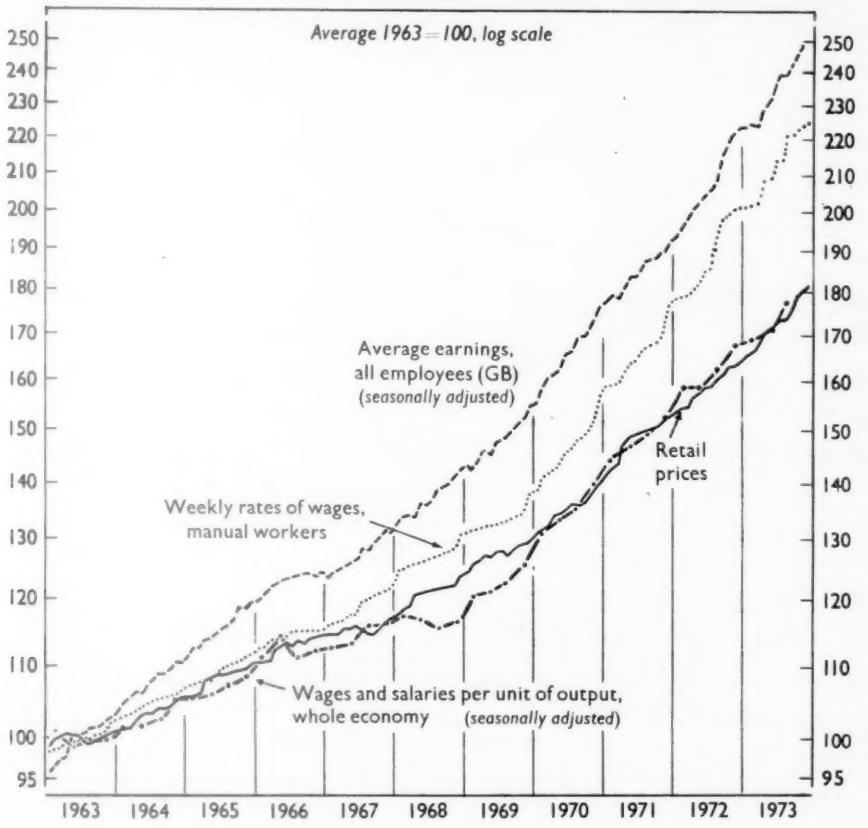
Average 1970 = 100, seasonally adjusted

	Income from employment §	Gross trading profits of companies §	Income from rent and self-employment §	Gross domestic product(1)	
				At current prices	At constant (1970) prices §
Value in 1972 (£ million)	*37,138*	*6,584*	*8,946*	*53,464*	*44,212*
1969 1st quarter	87·6	94·7	85·7	89·5	98·2
2nd quarter	88·4	98·1	88·3	90·5	97·9
3rd quarter	89·7	99·4	90·5	92·1	98·4
4th quarter	92·7	97·4	92·9	94·1	99·7
1970 1st quarter	94·5	97·2	94·8	95·2	98·3
2nd quarter	99·4	99·0	98·2	99·2	100·1
3rd quarter	102·2	99·5	101·9	100·9	100·4
4th quarter	104·0	104·3	105·1	104·8	101·2
1971 1st quarter	106·1	106·5	107·6	105·7	99·9
2nd quarter	109·1	109·5	110·6	110·0	101·3
3rd quarter	112·3	108·7	114·0	116·3	103·9
4th quarter	114·3	111·4	116·9	118·1	103·1
1972 1st quarter	116·9	113·6	121·0	119·8	102·0
2nd quarter	121·1	122·3	125·2	122·6	103·3
3rd quarter	124·5	128·2	128·5	125·9	103·0
4th quarter	129·8	134·8	138·2	131·6	105·0
1973 1st quarter	134·0	148·7	145·6	142·1	110·9
2nd quarter	138·0	162·4	151·6	141·5	109·1
3rd quarter	142·9	164·0	158·5	147·3	111·1
4th quarter					

(1) Gross domestic product at factor cost, based on expenditure data.

Wage rates, earnings, wages and salaries per unit of output and retail prices

Wage and salary earnings tend to rise together and faster than retail prices. In most periods, earnings rise faster than basic rates of pay but, with increasing productivity, wages and salaries per unit of output rise more slowly.

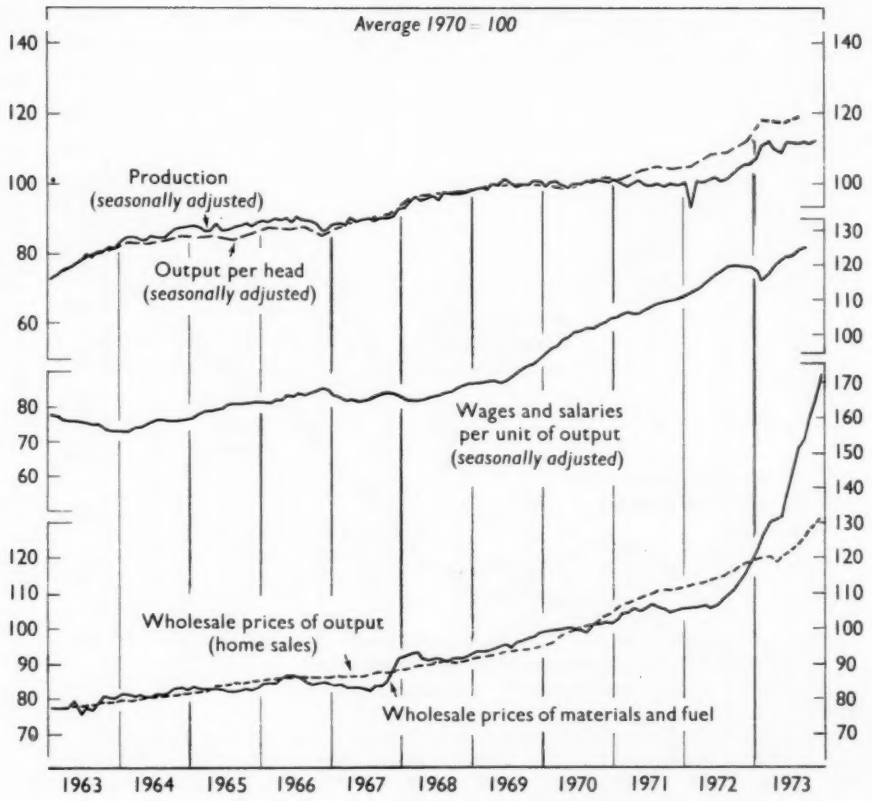


Average 1963 = 100

	Weekly rates of wages, manual workers	Average earnings, all employees (GB) §	Wages and salaries per unit of output, whole economy	General index of retail prices
		Seasonally adjusted		
1969 1st quarter	131·3	143·5	120·6	125·2
2nd quarter	131·9	146·5	121·7	127·2
3rd quarter	133·3	149·2	122·6	127·4
4th quarter	135·9	153·2	125·8	129·1
1970 1st quarter	140·7	158·2	130·6	131·5
2nd quarter	144·0	163·4	133·4	134·7
3rd quarter	147·6	168·6	135·7	136·2
4th quarter	153·5	174·1	139·6	139·0
1971 1st quarter	159·4	178·3	144·1	142·8
2nd quarter	162·7	182·4	147·2	147·9
3rd quarter	166·9	187·4	149·5	149·9
4th quarter	172·5	190·8	152·0	151·8
1972 1st quarter	178·3	196·5(')	158·1	154·1
2nd quarter	182·3	203·2	158·1	157·0
3rd quarter	192·1	210·2	163·3	159·6
4th quarter	200·4	221·0	166·7	163·5
1973 1st quarter	201·9	223·8	168·.	166·4
2nd quarter	210·6	232·4	171·6	171·7
3rd quarter	219·5	240·9	178·7	174·3
4th quarter	223·6			180·3

(') As industrial activity was severely disrupted by restricted electricity supplies, no enquiry was held in February. The index is therefore given as an average of the January and March figures.

Manufacturing industry: output, costs and prices



There are cyclical variations in the growth of output per head and in wages and salaries per unit of output. Wholesale prices of output are not generally sensitive to these short-term fluctuations but follow rather their long-term trend.

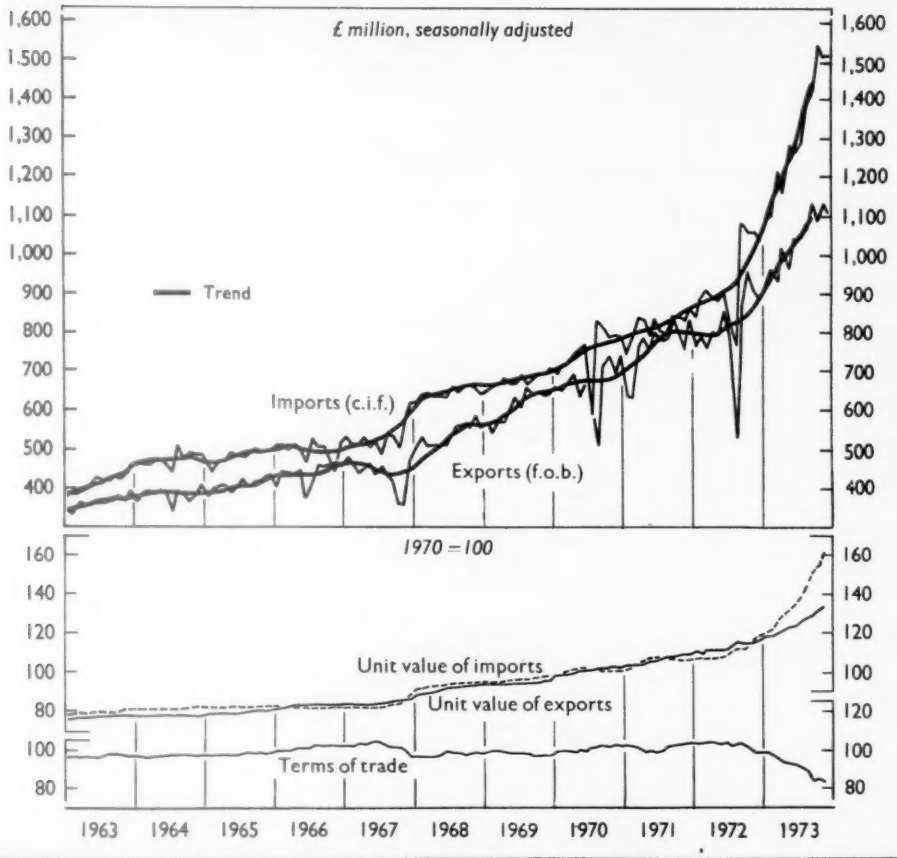
Average 1970 = 100

	Production	Output per head	Wages and salaries per unit of output	Wholesale prices	
	Seasonally adjusted			Materials and fuel(1)	Output Home sales(2)
1969 1st quarter ..	98·5	98·5	85·9	93·1	92·2
2nd quarter ..	100·2	99·8	86·5	94·3	92·9
3rd quarter ..	99·6	99·2	88·9	95·2	93·7
4th quarter ..	99·9	99·3	92·0	97·5	94·7
1970 1st quarter ..	99·8	99·3	95·4	99·2	96·7
2nd quarter ..	99·2	98·9	99·4	99·7	98·9
3rd quarter ..	100·1	100·2	101·7	99·8	100·9
4th quarter ..	100·9	101·5	103·6	101·4	103·4
1971 1st quarter ..	100·0	101·1	105·4	103·0	106·3
2nd quarter ..	100·3	103·2	105·9	104·9	108·7
3rd quarter ..	99·4	104·5	108·3	105·6	110·3
4th quarter ..	99·0	104·4	109·9	104·8	110·8
1972 1st quarter ..	98·4	104·8	111·8(3)	105·6	112·1
2nd quarter ..	101·3	108·3	115·2	106·1	113·5
3rd quarter ..	101·6	108·7	118·8	109·4	115·6
4th quarter ..	105·3	112·7	119·5	115·6	118·0
1973 1st quarter ..	110·5	117·9	116·7	126·0	119·3
2nd quarter ..	110·3	117·3	121·0	133·4	120·1
3rd quarter ..	112·0	118·8	124·0	150·5	124·2
4th quarter ..				166·6	129·1

(1) Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971. (2) Reductions in the VAT-exclusive prices of alcoholic liquor, tobacco and cigarettes, matches and mechanical lighters took place in April. These reductions resulted from lower revenue duties designed to offset additional tax revenue from VAT. With unchanged prices in April for these products, index numbers for quarters from 2nd quarter 1973 onwards would have been higher by 1·7. (3) Average of the January and March figures. See footnote (1) on page 29.

Exports and imports: terms of trade

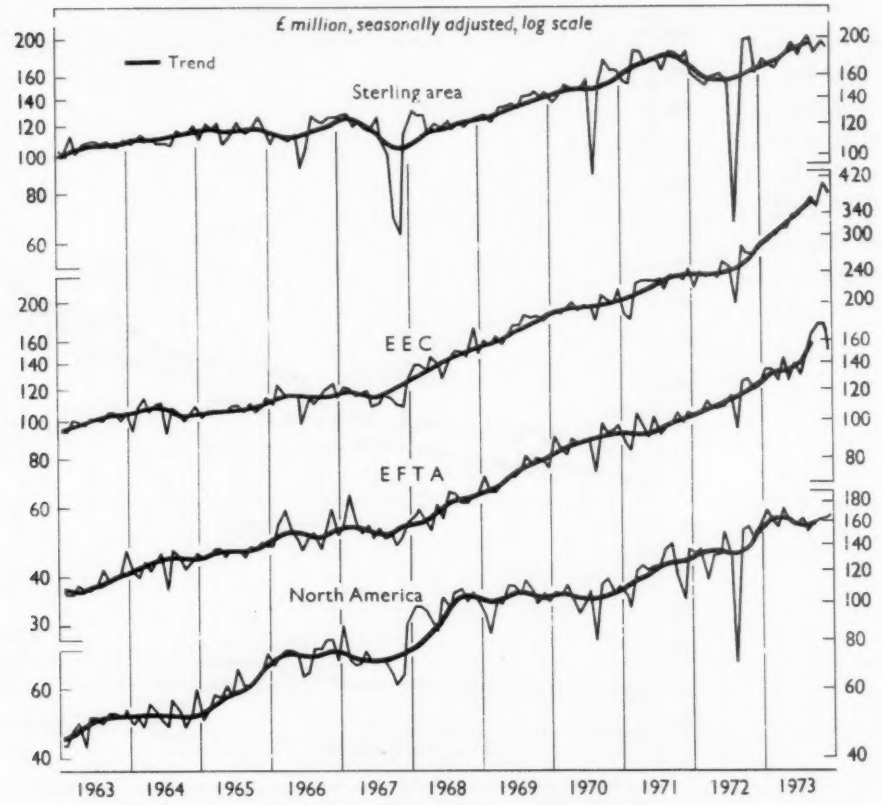
The index numbers of unit value give measures of price changes in United Kingdom exports and imports. A rise in the terms of trade (unit value index for exports divided by unit value index for imports) is favourable to the visible balance of payments.



	Exports (f.o.b.) §	Imports (c.i.f.) §	Unit value of exports	Unit value of imports	Terms of trade
	£ million, seasonally adjusted		1970 = 100		
1971 October	811	845	108·5	105·3	103·0
November	760	828	109·3	105·8	103·3
December	833	860	109·4	105·6	103·6
1972 January	768	836	110·5	107·2	103·1
February	794	886	109·8	106·1	103·5
March	763	914	110·6	106·5	103·8
April	800	890	110·7	107·0	103·5
May	798	881	110·6	107·6	102·8
June	856	904	111·1	107·6	103·3
July	801	813	112·1	110·2	101·7
August (1)	532	771	115·5	111·5	103·6
September (1)	871	1,087	114·6	110·8	103·4
October	954	1,066	114·1	113·1	100·9
November	914	1,067	115·0	116·3	98·9
December	893	1,039	116·2	118·2	98·3
1973 January	938	1,092	118·0	119·1	99·1
February	959	1,100	118·3	121·9	97·0
March	939	1,211	119·7	125·7	95·2
April	1,018	1,156	121·9	129·5	94·1
May	972	1,280	123·0	132·3	93·0
June	1,041	1,271	123·9	134·7	92·0
July	1,044	1,290	125·6	138·9	90·4
August	1,074	1,392	127·8	144·8	88·3
September	1,136	1,428	128·5	152·1	84·5
October	1,094	1,540	132·0	154·9	85·2
November	1,134	1,516	133·8	161·3	83·0
December	1,110	1,518			

Note : The figures on this page are calculated on an *Overseas Trade Statistics* basis. No adjustment has been made for factors affecting the recording of exports. The imports figures exclude US military aircraft.
(1) Affected by the dock strike.

Exports: analysis by destination

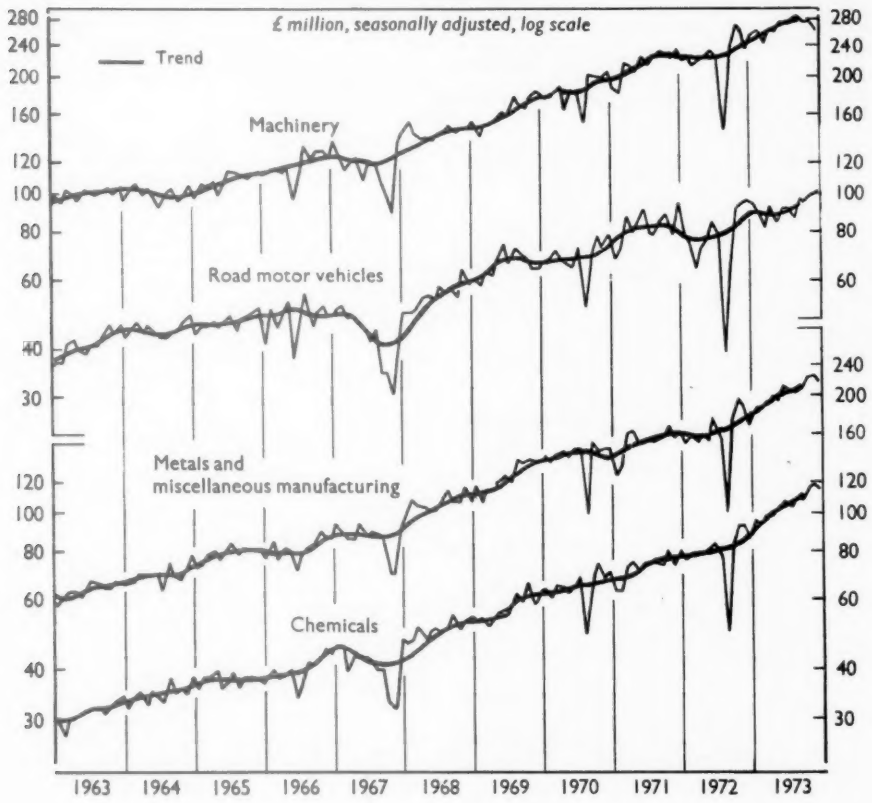


£ million, seasonally adjusted

		Total	Sterling area outside Europe(1)	EEC(2)	EFTA(2)	North America
1971	October	811	183	235	104	117
	November	760	178	230	99	102
	December	833	184	242	104	136
1972	January	768	161	219	102	132
	February	794	156	239	103	136
	March	763	150	232	111	114
	April	800	158	235	108	131
	May	798	159	231	108	132
	June	856	161	251	109	150
	July	801	152	246	116	129
	August	532	67	199	95	70
	September	871	144	278	127	152
	October	954	198	268	128	155
	November	914	199	267	120	144
	December	893	162	273	122	153
1973	January	938	174	284	135	170
	February	959	170	297	135	160
	March	939	168	296	127	154
	April	1,018	176	312	144	172
	May	972	182	310	125	160
	June	1,041	194	336	138	156
	July	1,044	180	339	130	162
	August	1,074	194	355	149	152
	September	1,136	201	371	167	160
	October	1,094	183	351	175	161
	November	1,134	195	400	175	163
	December	1,110	188	377	150	165

(1) Excluding Irish Republic which is included in EEC. (2) 1973 basis.

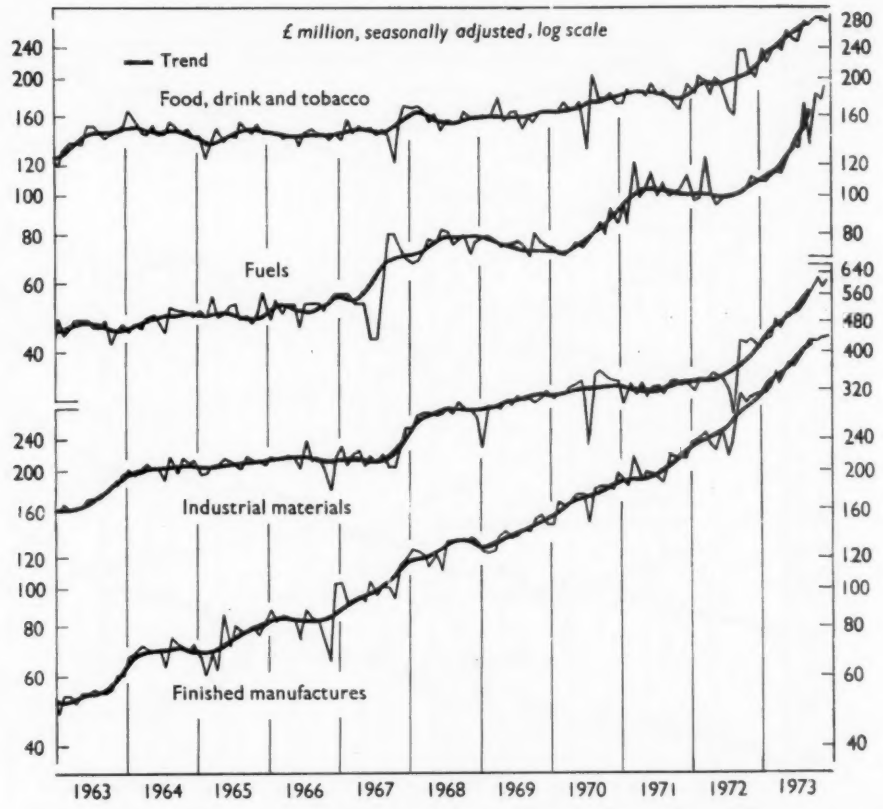
Exports: analysis by commodity classes



£ million, seasonally adjusted

		Total	Machinery	Road motor vehicles	Metals and miscellaneous manufacturing	Chemicals
1971	October	811	229	89	169	80
	November	760	222	78	157	74
	December	833	234	94	163	80
1972	January	768	220	78	152	76
	February	794	225	75	159	79
	March	763	213	65	153	77
	April	800	224	73	160	80
	May	798	223	78	156	82
	June	856	232	84	175	84
	July	801	227	78	157	79
	August	532	148	38	101	50
	September	871	241	67	175	83
	October	954	269	92	198	93
	November	914	261	94	185	93
	December	893	234	96	169	87
1973	January	938	259	94	187	96
	February	959	262	89	189	94
	March	939	245	82	190	99
	April	1,018	266	93	199	98
	May	972	262	85	194	103
	June	1,041	277	92	211	107
	July	1,044	276	92	208	104
	August	1,074	280	87	201	110
	September	1,136	285	97	208	109
	October	1,094	277	95	222	117
	November	1,134	278	99	226	119
	December	1,110	261	101	218	116

Imports: analysis by commodity classes

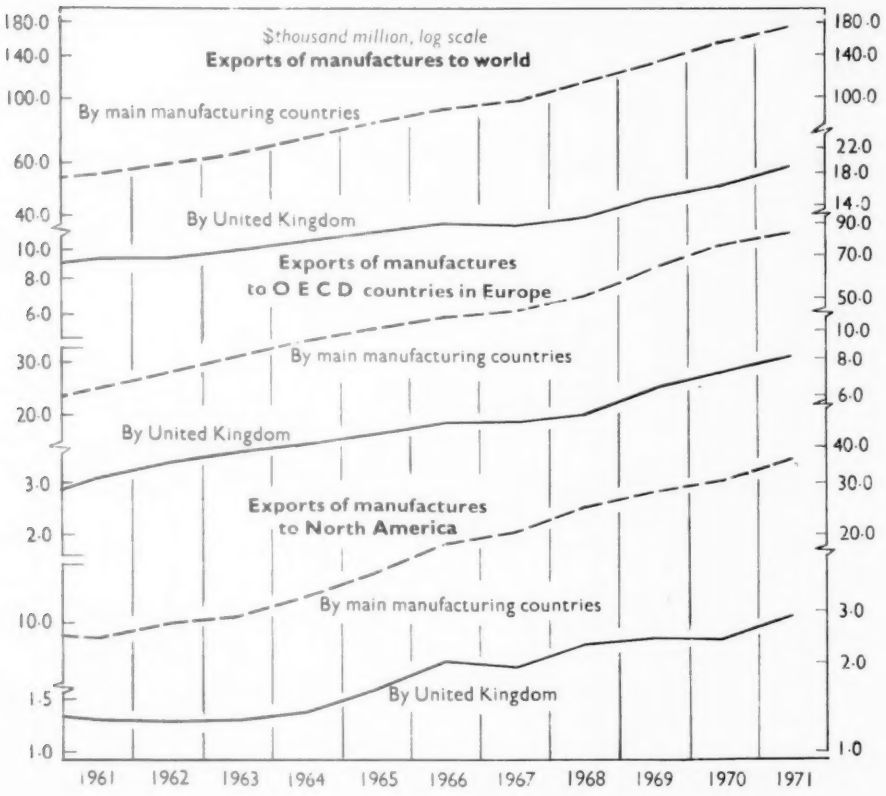


£ million, seasonally adjusted

	Total (1)	Food, drink and tobacco	Fuels	Industrial materials (2)	Finished manufactures (1)
1971 October	845	173	102	340	217
November	828	167	102	329	216
December	860	191	113	330	216
1972 January	836	184	97	315	234
February	886	202	99	344	240
March	914	195	126	341	248
April	890	181	104	348	232
May	881	198	95	345	225
June	904	195	99	339	253
July	813	165	97	315	222
August	771	161	101	267	239
September	1,087	234	103	428	311
October	1,066	235	104	417	298
November	1,067	208	111	429	309
December	1,039	202	110	409	317
1973 January	1,092	237	109	427	317
February	1,100	220	111	434	324
March	1,211	246	115	488	359
April	1,156	238	114	460	332
May	1,280	261	126	504	374
June	1,271	251	136	502	368
July	1,290	248	132	509	381
August	1,392	279	173	535	404
September	1,428	273	135	567	429
October	1,540	282	181	624	428
November	1,516	282	175	584	436
December	1,518	278	190	611	438

(1) Excluding US military aircraft, etc. (2) See also page 20.

United Kingdom exports of manufactures in world markets

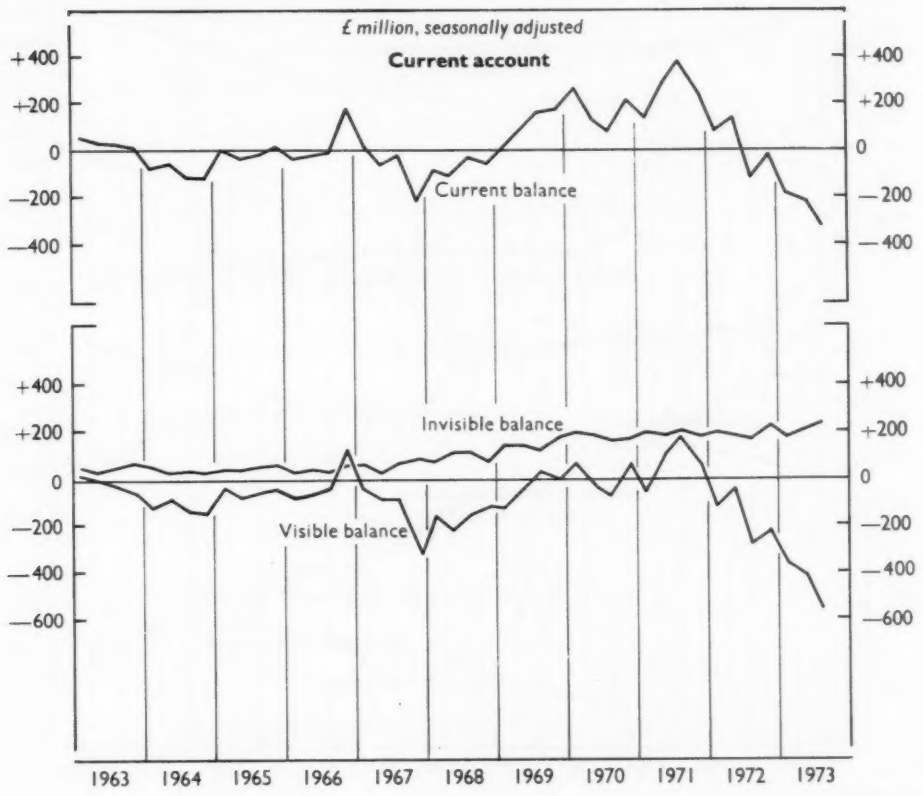


$ thousand million

	To world		To OECD countries in Europe (including Finland and Iceland)		To North America	
	By main manufacturing countries (1)	By United Kingdom	By main manufacturing countries (1)	By United Kingdom	By main manufacturing countries (1)	By United Kingdom
1961	55·47	9·12	24·66	3·14	8·98	1·27
1962	60·10	9·34	27·95	3·51	10·00	1·27
1963	65·15	9·99	31·28	3·86	10·52	1·28
1964	74·35	10·57	35·89	4·17	12·29	1·37
1965	83·01	11·47	39·61	4·43	15·00	1·63
1966	92·92	12·29	43·62	4·85	18·61	2·01
1967	99·45	12·10	45·78	4·89	20·54	1·94
1968	114·50	12·99	51·74	5·21	25·56	2·31
1969	134·08	15·01	63·13	6·36	28·87	2·44
1970	154·32	16·34	75·33	7·26	30·67	2·41
1971	174·02	19·03	83·65	8·29	36·76	2·90

(1) United Kingdom, United States of America, German Federal Republic, France, Italy, Belgium/Luxembourg, Netherlands, Sweden, Switzerland, Canada and Japan.

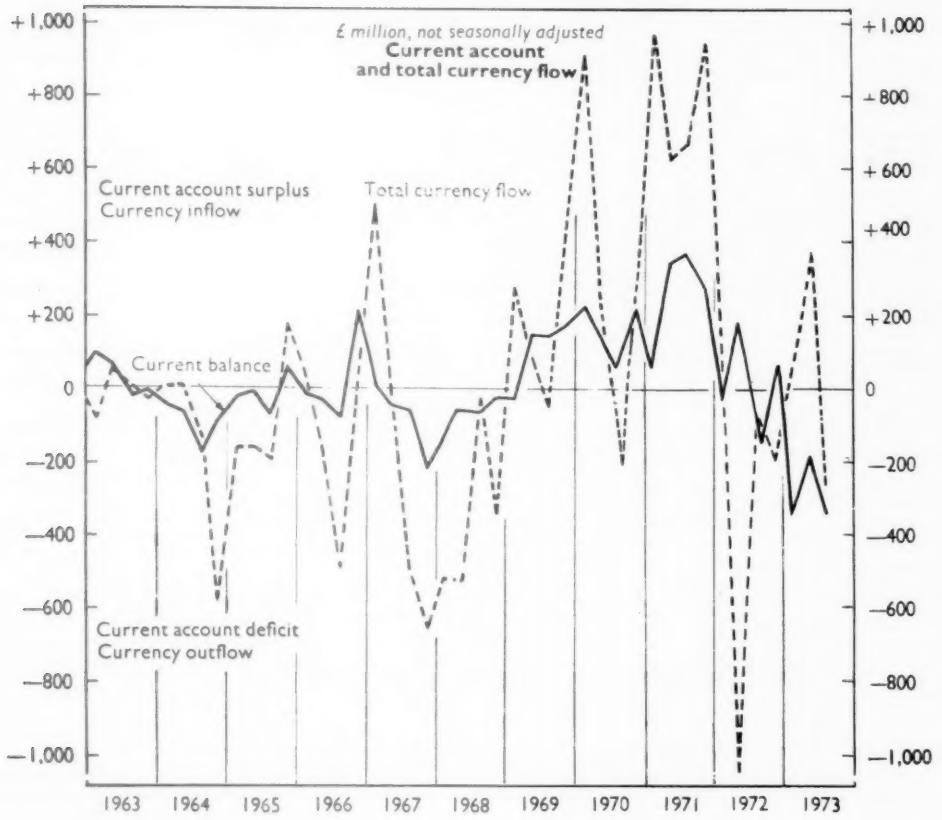
Balance of payments



£ million, seasonally adjusted

	Current account		
	Visible balance	Invisible balance	Current balance
1969 1st quarter	—129	+146	+ 17
2nd quarter	— 48	+143	+ 95
3rd quarter	+ 34	+129	+163
4th quarter	—	+170	+170
1970 1st quarter	+ 59	+196	+255
2nd quarter	— 46	+182	+136
3rd quarter	— 77	+161	+ 84
4th quarter	+ 55	+162	+217
1971 1st quarter	— 52	+197	+145
2nd quarter	+105	+183	+288
3rd quarter	+172	+208	+380
4th quarter	+ 60	+188	+248
1972 1st quarter	—119	+198	+ 79
2nd quarter	— 50	+181	+131
3rd quarter	—284	+174	—110
4th quarter	—232	+215	— 17
1973 1st quarter	—364	+177	—187
2nd quarter	—411	+203	—208
3rd quarter	—550	+233	—317
4th quarter			

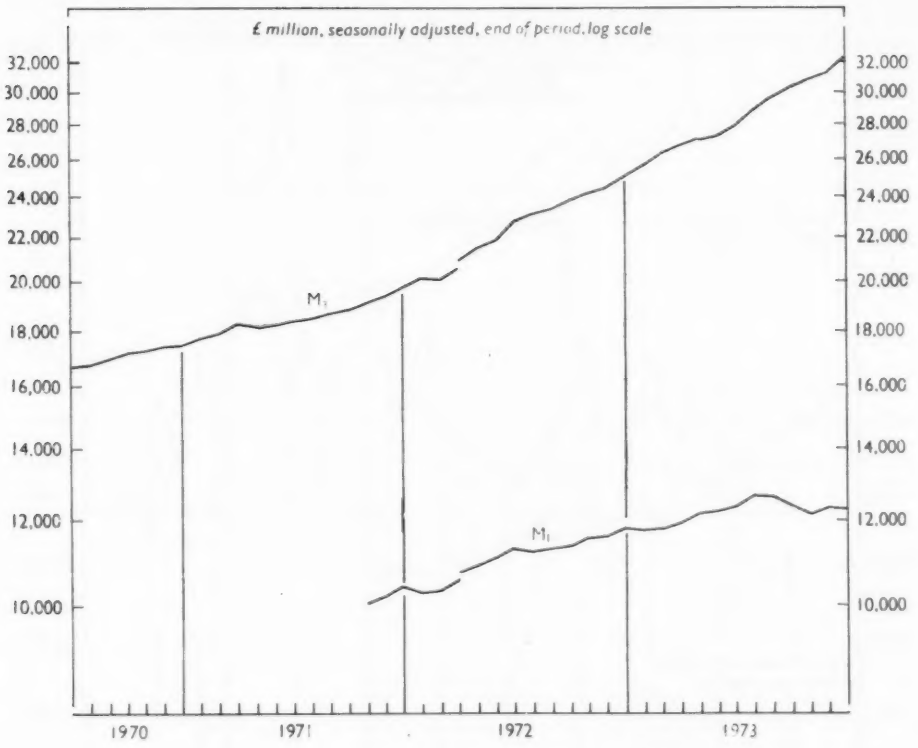
Balance of payments (*continued*)



£ million, not seasonally adjusted

	Current balance	Total currency flow
1969 1st quarter	— 28	+ 272
2nd quarter	+157	+ 82
3rd quarter	+148	— 47
4th quarter	+168	+ 436
1970 1st quarter	+233	+ 915
2nd quarter	+162	+ 227
3rd quarter	+ 69	— 202
4th quarter	+228	+ 347
1971 1st quarter	+ 64	+ 973
2nd quarter	+347	+ 634
3rd quarter	+370	+ 668
4th quarter	+280	+ 953
1972 1st quarter	— 23	+ 57
2nd quarter	+187	—1,045
3rd quarter	—149	— 79
4th quarter	+ 68	— 198
1973 1st quarter	—349	+ 69
2nd quarter	—183	+ 377
3rd quarter	—335	— 258
4th quarter		

Monthly stock of money



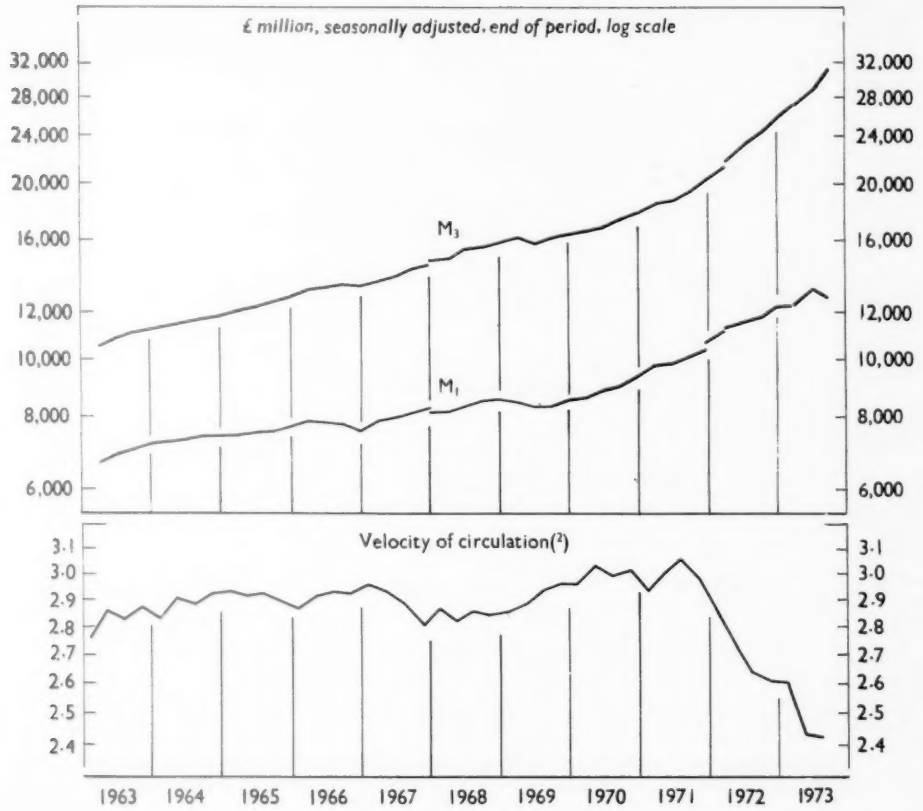
£ million, seasonally adjusted

		M1 (1)		M3 (1)	
		Outstanding	Changes during 'banking months' ending	Outstanding	Changes during 'banking months' ending
1972	January 19	10,330	— 95	20,070	424
	February 16	10,370	43	20,020	— 55
	March 15 (2)	10,660	290	20,500	482
		10,730		20,940	
	April 19	10,940	208	21,480	547
	May 17	11,090	152	21,820	334
	June 21	11,370	276	22,660	839
	July 19	11,300	— 68	23,130	476
	August 16	11,350	47	23,300	164
	September 20	11,420	70	23,770	474
	October 18	11,580	160	24,070	299
	November 15	11,630	48	24,380	324
	December 13	11,840	210	25,070	699
1973	January 17	11,760	— 79	25,610	546
	February 21	11,830	70	26,390	783
	March 21	11,920	98	26,790	406
	April 18(3)	12,200	278	27,110	323
		12,200		27,050	
	May 16	12,240	37	27,180	137
	June 20	12,370	135	27,870	691
	July 18	12,660	282	28,960	1,083
	August 15	12,620	— 32	29,680	726
	September 19	12,360	—266	30,400	718
	October 17	12,170	—192	30,860	460
	November 21	12,310	142	31,380	519
	December 12	12,290	— 23	32,200	817

(1) An article on money stock was published in the March 1972 issue of *Economic Trends*.
(2) The break in series indicates the inclusion of five finance houses recognised or confirmed as banks in January 1972. For further details see *Financial Statistics, Notes and Definitions*, April 1973.
(3) See supplement to *Notes and Definitions* in *Financial Statistics*.

The stock of money

The breaks in the money stock series at December 1967, March 1972 and March 1973 show the effects of changes in contributors which are described in *Financial Statistics*. The break in the series for M_1 at December 1971 reflects additional statistical information and is explained in notes to Table 12 in the *Bank of England Quarterly Bulletin*, March 1972.

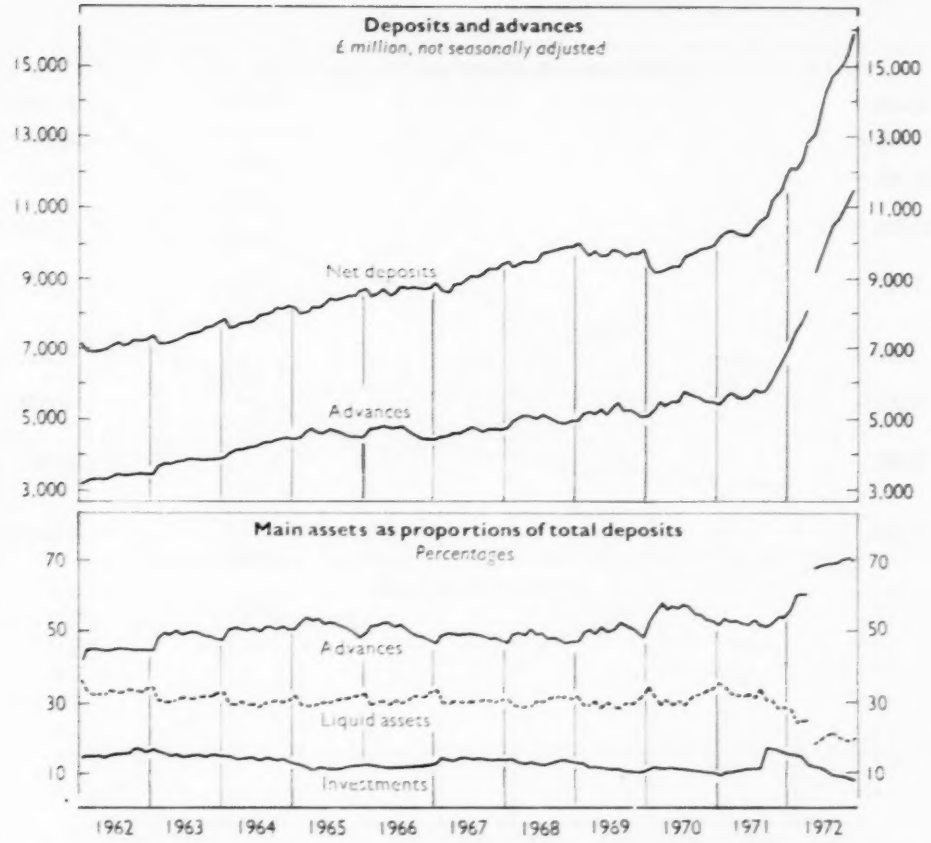


	Money stock (1)		Velocity of circulation (2)
	M_1	M_3 §	
	£ million, seasonally adjusted		
Amounts outstanding at end of period			
1969 March	8,490	16,070	2·850
June	8,330	15,870	2·888
September	8,320	16,030	2·944
December	8,580	16,300	2·966
1970 March	8,650	16,410	2·962
June	8,960	16,980	3·029
September	9,060	17,390	2·995
December	9,380	17,840	3·011
1971 March	9,800	18,420	2·946
June	9,910	18,730	3·003
September	10,230	19,200	3·067
December	10,820	20,240	2·992
1972 March	11,230	21,210	2·850
June	11,290	21,620	
September	11,740	23,150	2·749
December	11,900	24,170	2·637
1973 March	12,380	25,930	2·608
June	12,390	27,430	2·606
September	12,390	27,400	
December	13,190	28,690	2·435
	12,820	31,140	2·425

(1) The estimates include allowance for wastage, hoarding, etc. of coin in circulation which is not incorporated in the changes shown in the chart and table on page 38. See also footnote on page 38.

(2) Ratio of GNP at current market prices seasonally adjusted expressed at an annual rate to the centred quarterly average of M_3 seasonally adjusted.

London clearing banks



The banks' main assets are their advances to customers, their liquid assets (these are cash and balances with the Bank of England, other than special deposits, money at call and short notice and bills discounted) and their investments (mainly British government securities). Deposits are their main liabilities. In recent years the ratio of advances to deposits has risen and the ratio of liquid assets to deposits has fallen. From September 1971 both deposits and advances have risen more rapidly because the banks have begun to do business in new areas, previously left entirely to their subsidiaries; these include the issue and holding of sterling certificates of deposit, dealings in the sterling inter-bank market and an expansion of foreign currency business.

Note: Data is no longer collected on this basis from the London clearing banks. Consideration is, at present, being given as to which alternative series should be shown in *Economic Trends*.

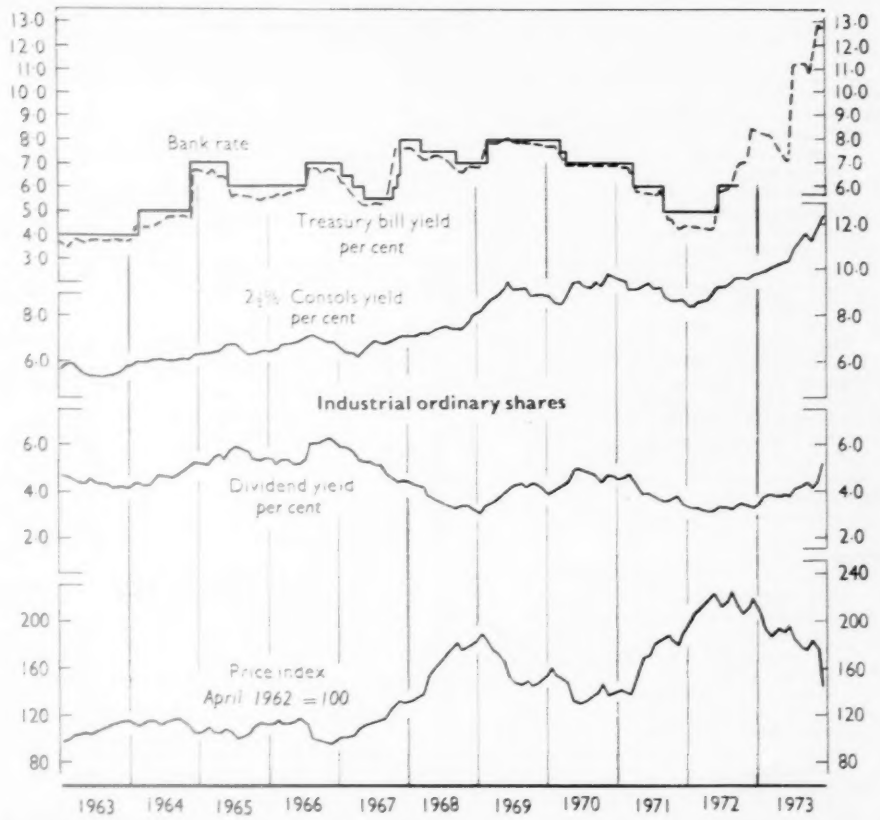
		Net deposits (1)	Advances to customers, etc. (2)	Main assets as proportions of gross deposits		
				Liquid assets	Investments	Advances (3)
		£ million, not seasonally adjusted		Percentages		
1970	October 21	9,861	5,591	32·6	10·2	54·8
	November 18	9,924	5,515	33·3	10·1	53·3
	December 9	9,997	5,495	33·8	10·0	52·8
1971	January 20	10,224	5,440	35·7	9·9	51·9
	February 17	10,347	5,618	34·4	10·2	53·7
	March 17	10,350	5,701	32·4	10·2	52·9
	April 21	10,232	5,657	32·3	10·7	53·1
	May 19	10,291	5,630	32·2	10·9	52·5
	June 16	10,300	5,653	32·7	11·0	52·3
	July 21	10,555	5,820	32·0	11·0	53·4
	August 18	10,653	5,709	33·6	11·0	51·9
	September 15	10,728	5,722	30·7	17·2	51·6
	October 20	11,227	6,064	30·5	16·7	52·2
	November 17	11,412	6,407	28·6	16·6	54·4
	December 8	11,859	6,679	28·8	16·0	54·4
1972	January 19	12,118	7,038	28·1	15·8	56·3
	February 16	12,087	7,524	24·5	15·5	60·4
	March 15	12,343	7,800	25·0	14·2	60·8
	April 19	12,816	8,116	25·0	13·2	60·7
	May 17(4)	13,015	9,191	18·6	12·7	67·6
	June 21	13,515	9,609	19·6	11·5	68·3
	July 19	14,382	10,262	20·5	10·3	68·7
	August 16	14,729	10,510	21·0	9·6	69·2
	September 20	14,886	10,666	20·6	9·5	69·4
	October 18	15,071	10,966	19·6	9·4	70·5
	November 15	15,425	11,316	19·4	9·0	70·6
	December 13	15,988	11,568	20·4	8·6	69·9

(1) Total deposits *less* balances with, and collections on, other banks, and items in transit, etc. (2) Excluding advances to nationalised industries and items in transit. (3) Total advances excluding items in transit. (4) The break in series at May 17 1972 reflects the transfer of £670 million refinanceable credits and short-term export finance from Other bills to Advances to customers, etc.

Interest rates, security prices and yields

Bank rate (¹)

Date of change	New rate
1960 January 21	5
June 23	6
October 27	5½
December 8	5
1961 July 25	7
October 5	6½
November 2	6
1962 March 8	5½
March 22	5
April 26	4½
1963 January 3	4
1964 February 27	5
November 23	7
1965 June 3	6
1966 July 14	7
1967 January 26	6½
March 16	6
May 4	5½
October 19	6
November 9	6½
November 18	8
1968 March 21	7½
September 19	7
1969 February 27	8
1970 March 5	7½
April 15	7
1971 April 1	6
September 2	5
1972 June 22 to October 12	6



	Bank of England's minimum lending rate (¹)	Treasury bill yield	2½% Consols yield	Industrial ordinary shares	
	Last Friday			Yield	Price index
	Percentage				April 1962 = 100
1971 October	..	4·61	8·59	3·61	183·50
November	..	4·33	8·57	3·70	179·34
December	..	4·46	8·62	3·51	190·21
1972 January	..	4·40	8·39	3·37	201·38
February	..	4·41	8·40	3·31	206·98
March	..	4·36	8·57	3·23	213·55
April	..	4·31	8·68	3·16	219·48
May	..	4·35	8·92	3·14	223·46
June	..	5·72	9·34	3·36	211·55
July	..	5·85	9·35	3·31	215·09
August	..	5·91	9·46	3·19	224·66
September	..	6·74	9·58	3·41	210·64
October	7½	7·01	9·59	3·50	206·76
November	7½	7·06	9·58	3·43	213·26
December	9	8·48	9·71	3·33	219·31
1973 January	8½	8·29	9·79	3·50	209·35
February	8½	8·23	9·89	3·82	193·47
March	8½	8·10	10·16	3·93	188·85
April	8½	7·82	10·23	3·85	193·04
May	7½	7·33	10·34	3·87	191·66
June	7½	7·08	10·38	3·79	196·83
July	11½	11·20	10·84	4·06	185·22
August	11½	11·28	11·37	4·20	179·69
September	11½	11·25	11·60	4·48	177·52
October	11½	10·96	11·31	4·15	182·90
November	13	12·85	11·89	4·40	173·77
December	13	12·82	12·38	5·28	145·37

(¹) With effect from 13 October 1972, the Bank's minimum lending rate to the market will normally be ½% higher than the average rate of discount for Treasury bills established at the weekly tender, rounded to the nearest ¼% above; the rate normally becomes effective, for lending by the Bank, from the following Monday.

Measures of variability of some major series included in *Economic Trends* (1)

	Page	Period covered	Average percentage changes			$\bar{I}/\bar{C}$	MCD or QCD	$\bar{I}/\bar{C}$ for MCD (or QCD) span
			$\overline{CI}$	$\bar{I}$	$\bar{C}$			
Quarterly series								
National income and components at 1970 prices								
GDP, factor cost								
Expenditure based	2, 28	1st quarter 1963 to 2nd quarter 1973	1·3	0·9	0·8	1·1	2	0·4
Income based	2	" " " " " " "	1·3	0·8	0·9	0·9	1	0·9
Output based	2	" " " " " " "	0·9	0·5	0·8	0·6	1	0·6
Average estimate	2	" " " " " " "	1·0	0·7	0·8	0·8	1	0·8
Consumers' expenditure	3	" " " " " " "	1·2	0·7	0·8	0·9	1	0·9
Fixed capital formation								
Total	4	" " " " " " "	2·4	1·6	1·4	1·2	2	0·5
Manufacturing industry	4, 12	" " " " " " "	3·1	1·9	2·1	0·9	1	0·9
Stockbuilding(2)								
Total	4, 16	" " " " " " "	74·9	68·7	36·1	1·9	2	0·7
Manufacturing	4, 16	" " " " " " "	57·6	45·4	27·7	1·6	2	0·6
Exports: goods and services	8	" " " " " " "	3·6	2·6	1·8	1·4	2	0·6
Imports: goods and services	8	" " " " " " "	2·8	1·9	1·7	1·2	2	0·5
Personal disposable income	3	" " " " " " "	1·5	1·0	0·9	1·1	2	0·4
Other national income series								
Income from employment	28	" " " " " " "	2·1	0·4	2·1	0·2	1	0·2
Gross trading profits of companies	28	" " " " " " "	3·9	2·6	2·5	1·0	2	0·4
Income from rent and self-employment	28	" " " " " " "	2·6	0·5	2·5	0·2	1	0·2
Other quarterly series								
New construction output	23	1st quarter 1964 to 4th quarter 1971	1·6	1·2	0·7	1·6	2	0·9
Money stock (M_3) (3)	39	1st quarter 1963 to 4th quarter 1972	2·6	0·5	2·1	0·2	1	0·2
Monthly series(4)								
Retail sales								
Total: current prices	11	January 1961 to August 1973	1·0	0·8	0·5	1·5	2	0·8
Total: constant prices	11	" " " " "	0·9	0·8	0·2	3·5	4	0·9
Food shops	11	" " " " "	0·6	0·6	0·1	3·9	5	0·9
Clothing and footwear shops	11	" " " " "	2·0	2·0	0·3	5·7	6	
Durable goods shops	11	" " " " "	1·6	1·4	0·7	2·1	3	0·7
Other non-food shops	11	" " " " "	1·0	1·0	0·4	2·7	3	0·9
Cars: new registrations	11	January 1954 to December 1971	7·2	6·6	2·6	2·5	3	1·0
Housing: public authorities								
Starts	15	January 1956 to December 1971	11·6	11·4	1·5	7·7	6	
Completions	15	" " " " "	7·3	7·2	1·0	7·4	6	
Housing: private								
Starts	15	" " " " "	8·3	7·9	2·0	3·9	5	0·8
Completions	15	" " " " "	5·5	5·5	0·9	6·3	6	
Index of industrial production								
All industries	2, 18	January 1968 to December 1972	0·7	0·6	0·2	3·4	4	0·9
Manufacturing industries	2	" " " " "	0·8	0·7	0·3	2·8	3	1·0
Engineering and allied industries	18	" " " " "	1·2	1·2	0·3	4·0	5	0·8
Chemicals and allied industries	18	" " " " "	1·6	1·5	0·4	3·5	4	0·9
Textiles, leather and clothing industries	18	" " " " "	1·5	1·4	0·3	4·7	6	0·9
Crude steel production	21	January 1962 to April 1972	3·9	3·6	1·1	3·2	4	0·9
Passenger car production:								
Home market	22	January 1958 to December 1971	9·0	8·0	2·5	3·2	5	1·0
Export	22	" " " " "	8·3	7·6	2·2	3·4	4	0·9
Commercial vehicle production:								
Home market	22	" " " " "	7·9	7·4	1·6	4·7	6	
Export	22	" " " " "	7·5	7·3	1·6	4·8	5	0·9
Unemployed(5)	26	January 1961 to December 1972	*10·8*	*4·3*	9·6	0·4	1	0·4
Unfilled vacancies(5)	3, 26	" " " " "	*4·8*	*2·1*	*4·2*	0·5	1	0·5
Average earnings	3, 29	January 1963 to December 1972	0·8	0·4	0·7	0·6	1	0·6
Exports: value, f.o.b.	31	January 1957 to December 1971	3·7	2·7	0·8	3·4	4	0·8
Imports: value, c.i.f.	31	" " " " "	2·9	1·8	0·8	2·3	3	0·7

(1) For a complete description of these measures see article 'Measuring variability in economic time series' in the August 1972 issue of *Economic Trends*. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\bar{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\bar{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additional model, see footnotes (2), (3) and (5).

$\bar{I}/\bar{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\bar{I}$ and $\bar{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\bar{I}/\bar{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

(2) The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\bar{I}$ and $\bar{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

(3) Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\bar{I}$ and $\bar{C}$ are presented as percentages of the level of the trend in the preceding quarter.

(4) Series are included in this section if they are normally published in monthly form. For some of these series only short runs of monthly figures are given in *Economic Trends*, and in some cases they are given only as quarterly averages. Reference should be made in these cases to the *Monthly Digest of Statistics*, which contains most of them, or to the original sources.

(5) The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\bar{I}$ and $\bar{C}$ are not percentage changes but differences in units of thousands.

INDEX OF SOURCES

	Page	*Source*	*Further statistics*
Balance of payments	5, 36, 37	Central Statistical Office	Financial Statistics Quarterly articles in Economic Trends
Banking sector (United Kingdom)			
Change in deposits and lending	5	Bank of England	Financial Statistics
Bank rate, etc. (see Interest rates, etc.)			
Building materials (see Construction)			
Car registrations (see Motor vehicles)			
Clearing banks, London	40	Committee of London Clearing Bankers	Monthly Digest of Statistics Financial Statistics
Coal (see Fuel and power consumption)			
Consols (see Interest rates, etc.)			
Construction		Department of the Environment	Housing and Construction Statistics
New construction: orders received and output	4, 23		
Production of bricks, cement, etc.	23	Central Statistical Office	Monthly Digest of Statistics
Consumers' expenditure	3	Central Statistical Office	Monthly Digest of Statistics
In relation to GDP	8		
In relation to personal income and borrowing	9		
Selected components	10		
Domestic credit expansion	5	Bank of England Central Statistical Office	Financial Statistics
Earnings (average)		Department of Employment	Monthly Digest of Statistics Department of Employment Gazette
All employees	3, 29		
Salary and wage earnings in relation to wage rates and retail prices	7, 29		
In relation to output and prices (manufacturing industry)	30		
Electricity (see Fuel and power consumption)			
Employed labour force	2	Central Statistical Office	
Employment		Department of Employment	Monthly Digest of Statistics Department of Employment Gazette
Vacancies	26		
Exports			
Of goods and services, in relation to GDP	8	Central Statistical Office Department of Trade and Industry	Monthly Digest of Statistics
Of goods	6	Department of Trade and Industry	Monthly Digest of Statistics Trade and Industry Financial Statistics
In relation to balance of payments	36		
In relation to imports, unit values and terms of trade	31		
Analysis by destination	32		
Analysis by commodity classes	33		
In relation to world markets (manufacturers)	35		
Volume	5		
Fixed investment	4	Central Statistical Office	Monthly Digest of Statistics
In relation to GDP	8	Central Statistical Office	Monthly Digest of Statistics
By sectors and selected industries	12	Department of Trade and Industry	Trade and Industry
Manufacturing industry			
Investment cycles; Department of Trade and Industry Intentions Inquiry	13	Department of Trade and Industry	Trade and Industry
CBI Intentions Inquiry	14	Confederation of British Industry	Industrial Trends Survey Monthly Digest of Statistics
In plant and machinery, new building and works	14		
Contractors' orders for private industrial work	14	Department of the Environment	Housing and Construction Statistics
Dwellings (see Housing)			
Fuel and power consumption (inland)	24	Department of Trade and Industry	Monthly Digest of Statistics United Kingdom Energy Statistics
Gas (see Fuel and power consumption)			
Gross domestic product	2	Central Statistical Office	Monthly Digest of Statistics
And components of final expenditure	8		
In relation to stocks	5, 17		
In relation to incomes	28		

	Page	Source	Further statistics
Hire purchase borrowing	4	Department of Trade and Industry	Monthly Digest of Statistics; Trade and Industry; Financial Statistics
In relation to personal income and expenditure	9		
Hours worked		Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
In relation to unemployment	26		
Housing		Central Statistical Office; Department of the Environment; Scottish Development Department; Ministry of Development (Northern Ireland)	Monthly Digest of Statistics; Housing and Construction Statistics
Numbers started and completed, contractors' orders for new houses, fixed investment in dwellings	15		
Imports			
Of goods and services, in relation to GDP	8	Central Statistical Office; Department of Trade and Industry	Monthly Digest of Statistics
Of goods	6	Department of Trade and Industry	Monthly Digest of Statistics; Trade and Industry; Financial Statistics
In relation to balance of payments	36		
In relation to exports, unit values and terms of trade	31		
Analysis by commodity classes	34		
Of industrial materials, in relation to production and stock changes (manufacturing industry)	20		
Volume	5		
Incomes		Central Statistical Office	Monthly Digest of Statistics
Personal disposable income at 1963 prices	3		
Personal disposable income in relation to expenditure and borrowing	9		
Income from employment, income from rent and self-employment, gross trading profits of companies, in relation to GDP	28		
Earnings and wage rates	3, 7, 29	Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Interest rates, security prices and yields		Bank of England; Financial Times; Institute of Actuaries; Faculty of Actuaries	Monthly Digest of Statistics; Financial Statistics
Bank rate, Bank of England's minimum lending rate, Treasury bill yield, 2½% Consols yield; industrial ordinary shares, prices and yields	41		
Investment intentions (see Fixed investment)			
London clearing banks (see Clearing banks, London)			
Money stock	5, 38, 39	Bank of England; Central Statistical Office	Financial Statistics
Motor vehicles			
New registrations of cars	4, 7, 11	Department of the Environment; Department of Trade and Industry	Monthly Digest of Statistics
Production	22	Department of Trade and Industry	Monthly Digest of Statistics; Trade and Industry
Oil fuel (see Fuel and power consumption)			
Orders received			
Engineering industries	4, 25	Department of Trade and Industry	Monthly Digest of Statistics; Trade and Industry
Textiles industry	25		
Made-up clothing industry	25		
Merchant shipbuilding	25		Monthly Digest of Statistics
Contractors		Department of the Environment	Monthly Digest of Statistics
For private industrial work, in relation to fixed investment (manufacturing industry)	14		Housing and Construction Statistics
For new houses, in relation to fixed investment	15		
New construction	4, 23		
Output per head	2	Central Statistical Office	Monthly Digest of Statistics
In relation to production and prices (manufacturing industry)	30		

	Page	Source	Further statistics
Production, industrial: index	2, 6, 18	Central Statistical Office	Monthly Digest of Statistics
By selected industries	18		
Production cycles	19		
In relation to stocks (manufacturing industry)	5, 17		
In relation to imports of industrial materials (manufacturing industry)	20		
In relation to output per head, wages and salaries per unit of output and prices (manufacturing industry)	30		
Bricks, cement, etc.	23		
Profits (see Incomes)			
Public authorities' consumption		Central Statistical Office	Monthly Digest of Statistics
In relation to GDP	8		
Rent (see Incomes)			
Retail prices: index	3, 7	Department of Employment	Monthly Digest of Statistics Department of Employment Gazette
In relation to earnings and wage rates	29		
Retail sales		Department of Trade and Industry	Monthly Digest of Statistics Trade and Industry
Volume	4, 7, 11		
Value	7, 11		
Salaries (see Earnings)			
Savings ratio, personal	3	Central Statistical Office	Monthly Digest of Statistics
Securities (see Interest rates, etc.)			
Steel			
Production, consumption and stocks	21	Department of Trade and Industry	Iron and Steel Monthly Statistics (1)
Stocks		Central Statistical Office Department of Trade and Industry	Monthly Digest of Statistics Trade and Industry
Total stock changes in relation to GDP	4, 8		
Stock changes: total, manufacturing, distribution	4, 16		
Stock/output ratios (total stock level in relation to GDP; manufacturing stock level in relation to manufacturing output)	5, 17		
Manufacturing stock changes in relation to imports of industrial materials	20		
Terms of trade	3, 31	Department of Trade and Industry	Monthly Digest of Statistics Trade and Industry
Treasury bills (see Interest rates, etc.)			
Unemployment		Department of Employment	Monthly Digest of Statistics Department of Employment Gazette
Total unemployment	2, 6, 26		
Production industries	26		
Unemployment cycles	27		
Unfilled vacancies (see Employment)			
Unit values of exports and imports	3, 31	Department of Trade and Industry	Monthly Digest of Statistics Trade and Industry
Wage rates (basic hourly)	3	Department of Employment	Monthly Digest of Statistics Department of Employment Gazette
Wage rates (weekly)		Department of Employment	Monthly Digest of Statistics Department of Employment Gazette
In relation to earnings, output and retail prices	29		
Wages and salaries per unit of output	2, 29, 30	Central Statistical Office Department of Employment	Monthly Digest of Statistics
Wholesale prices		Department of Trade and Industry	Monthly Digest of Statistics Trade and Industry
Basic materials and fuel purchased by manufacturing industry	3		
Output; all manufactured products	3		
In relation to production, output per head and wages and salaries per unit of output (manufacturing industry)	30		

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